

STATE OF TENNESSEE  
FISCAL YEAR 2016-17 ANNUAL ACTION PLAN  
FOR HOUSING AND COMMUNITY DEVELOPMENT PROGRAMS



TENNESSEE HOUSING DEVELOPMENT AGENCY  
TENNESSEE DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT  
TENNESSEE DEPARTMENT OF HEALTH

## **Executive Summary**

### **AP-05 Executive Summary - 24 CFR 91.200(c), 91.220(b)**

#### **1. Introduction**

The Annual Action Plan serves as the State of Tennessee's annual application to the U.S. Department of Housing and Urban Development (HUD) for the funding of HUD's four formula grant programs: Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME), Emergency Solutions Grant (ESG), and Housing Opportunities for Persons Living with AIDS (HOPWA) Program. The Fiscal Year (FY) 2016-17 Action Plan describes actions on behalf of the State of Tennessee to administer and implement the Consolidated Plan grant programs during the State Fiscal Year beginning July 1, 2016 through June 30, 2017.

The names of the grant programs, the administering state agencies, and the allocations for FY 2016-17 are as follows:

- Community Development Block Grant (CDBG) administered by the Tennessee Department of Economic and Community Development (ECD), allocation: \$25,265,266
- HOME Investment Partnerships Program (HOME) administered by Tennessee Housing Development Agency (THDA), allocation: \$9,582,308
- Emergency Solutions Grant (ESG) administered by Tennessee Housing Development Agency (THDA), allocation: \$2,932,401
- Housing Opportunities for Persons with AIDS (HOPWA) Program administered by the Tennessee Department of Health (DOH), allocation: \$963,180

The Annual Action Plan describes the amounts and source of the four formula grant funds expected to be made available during FY 2016-17 and discusses the methods by which funds will be distributed to eligible applicants by the administering agencies. Funds are made available either through a competitive grant process, through a formula basis, or in some cases, both. Also discussed are other federal and non-federal resources administered by THDA and include: Section 8 Housing Choice Voucher Program, Section 8 Contract Administration, the Low Income Housing Tax Credit Program (LIHTC), the Tennessee Housing Trust Fund, the Community Investment Tax Credit (CITC) Program, and the Homeownership Programs.

#### **2. Summarize the objectives and outcomes identified in the Plan**

This could be a restatement of items or a table listed elsewhere in the plan or a reference to another location. It may also contain any essential items from the housing and homeless needs assessment, the housing market analysis or the strategic plan.

Also contained in the FY 2016-17 Annual Action Plan are the specific goals the administering agencies, known collectively as the Consolidated Planning Partners, hope to address in the coming year, as they relate to the five-year Consolidated Plan, and the goal outcome indicators by which the administering agencies will measure performance. The specific goals of the 2015-19 Consolidated Plan are:

1. Create and maintain affordable rental and homeownership stock with the construction of new affordable housing, rehabilitate existing affordable housing, provide down-payment assistance, and provide tenant-based rental assistance to eligible populations.
2. Preserve homeless facilities to ensure they can continue to meet the needs of Tennessee's homeless population and provide resources to support those who are homeless or at risk of homelessness.
3. Provide resources to preserve affordable housing options for those persons with HIV/AIDS.
4. Provide resources to cities and communities to update and repair water and sewer systems. Also, create the base of infrastructure that will provide for a high quality of life for individuals, productive capacity for communities, and that will support economic development.
5. Provide communities with resources to revitalize public and community infrastructure and assets to improve the livability of communities.
6. Provide resources to cities and communities to support job creation, job training, and other job related opportunities.
7. Deliver community development programs in a manner that provides maximum assistance not only to economically disadvantaged individuals, but also to economically disadvantaged or low-to moderate-income areas of the state.
8. Affirmatively further fair housing by providing training and technical assistance to communities, organizations, realtors, lenders, and other stakeholders. Also provide fair housing counseling, outreach, and education to households, organizations, realtors, lenders, and other stakeholders.

For each of the eight goals, action steps were developed in the five-year Consolidated Plan, designed to address these goals. The action steps and the ways in which each of the programs propose to address the goals are also discussed. The Consolidated Planning Partners have developed planning documents, included in the appendix of the Annual Action Plan, to better link HUD's grant objectives to the State of Tennessee's objectives, action steps, activities, and performance measures.

### **3. Evaluation of past performance**

This is an evaluation of past performance that helped lead the grantee to choose its goals or projects.

The state is currently implementing the FY 2015-16 Annual Action Plan. Accomplishments for the FY 2015-16 Annual Action Plan will be reported in the FY 2015-16 *Consolidated Annual Performance and Evaluation Report (CAPER)* in September 2016. The FY 2014-15 CAPER reflects the performance and accomplishments with FY 2014-15 program funding. The CDBG, HOME, ESG, and HOPWA programs received a combined allocation of \$38,930,585. Accomplishments during FY 2014-15 include:

- CDBG – A total of 82 contracts were awarded to city governments, county governments, and other subrecipients totaling \$29,369,086 through the CDBG program. This amount included the FY 2014-15 award amount plus additional funds that were recaptured, unspent funds from completed projects from previous years. A total of 181,245 low- and moderate-income (LMI) persons were assisted.
- HOME – In total, THDA distributed \$16,683,138 in program funds during FY 2014-15. This included \$14,282,052 in funds from Program Years 2012 and 2013 in the Urban and Rural rounds. THDA also distributed \$969,914 of 2012 Supportive Housing program funds and \$1,431,172 of 2013 Community Housing Development Organization (CHDO) program funds. A total of 452 housing units were assisted with HOME dollars, funded by previous allocations but completed during the FY2014-15. Of those 452 housing units, 57 households considered very low-income.
- ESG – A total of \$3,362,892 was made available for the ESG program through a combination of FY 2013 and FY 2014 funding. A total of 47 contracts were awarded during this reporting period. The 2013 ESG funding round awarded the first \$100,000 of ESG funds to seven Mental Health Regional Housing Coordinators who provide homeless assistance programs for the mentally disabled. During this reporting period, 52 percent of the remaining 2013 funds were awarded to 11 entitlement cities in a formula-based allocation. The remaining 48 percent was awarded on a competitive basis to non-profits throughout the state. During this reporting period, \$2,226,946 was awarded for street outreach, the operation and maintenance of homeless shelters, essential services, homeless prevention, rapid re-housing, data collection, and administrative costs. The 2014 ESG funding round awarded the first \$100,000 of ESG funding to two non-profit agencies who provide services to homeless youth. The City of Knoxville was ineligible to continue as a participating jurisdiction under ESG and therefore received a special set-aside allocation of \$130,308. The remaining funds were placed in a special competitive application round in the fall of 2014. Eleven applicants were funded for a total of \$823,591. The remaining 2014 ESG funding was awarded during the 2015 ESG funding round. Total ESG funding during the reporting period assisted 15,354 low-, very low-, and extremely low-income persons. Nearly 80 percent of the total beneficiaries served with ESG funds were extremely low-income persons.

HOPWA – The Tennessee Department of Health (DOH) awarded \$910,900 to the seven project sponsors across the state that directly administer the program. HOPWA funds are used to provide assistance in the following five categories: housing information services, housing assistance (short-term rent, mortgage, and utility payment program); supportive services; permanent housing placement; and

ongoing housing assessment plans. The HOPWA program reported activity for 441 individuals with HIV/AIDS and 306 affected family members as beneficiaries of HOPWA services.

#### **4. Summary of Citizen Participation Process and consultation process**

Summary from citizen participation section of plan.

Public input was solicited during the public comment period of April 1st through May 1st, 2016. The State of Tennessee solicited citizen participation through the use of email invitations, newsletters, and postings to state websites, development district websites, and social media accounts (Facebook and Twitter). Public notices were translated into Spanish, Arabic, Somali, Badini, and Sorani. Additional accommodations such as translation services into other languages or interpreter services for persons with disabilities were available upon request. Public notices informing communities of the public comment period were also published in the following newspapers:

- Chattanooga Times Free Press – Chattanooga
- The Commercial Appeal – Memphis
- The Daily Herald – Columbia
- El Crucero de Tennessee – Nashville
- Herald-Citizen – Cookeville
- The Jackson Sun – Jackson
- Johnson City Press- Johnson City
- Knoxville News Sentinel – Knoxville
- La Campana – Franklin
- La Presnsa Latina – Memphis
- The Leaf Chronicle – Clarksville
- State Gazette – Dyersburg
- The Tennessean – Nashville

#### **5. Summary of public comments**

This could be a brief narrative summary or reference an attached document from the Citizen Participation section of the Con Plan.

The State of Tennessee received four comments during the public comment period from April 1st to May 1st, 2016. The state received the comments electronically via a Survey Monkey form that which was translated into Spanish, Arabic, Somali, Badini, and Sorani. The form was accessible through a link on the THDA, Department of Economic and Community Development, and Department of Health's websites. These comments are almost exclusively from residents experiencing housing hardship and are not in direct response to the four grant programs of the Consolidated Plan or this annual Action Plan. Most concerns focused on personal accounts of foreclosure issues, homelessness, and persons living

with AIDS/HIV. There was one comment asking why the National Housing Trust Fund was not included in this Action Plan. The State of Tennessee will include the National Housing Trust Fund plans in a substantial amendment of this Action Plan once additional guidance is received from HUD. One comment appears to be a mistype and did not actually express a comment for the State of Tennessee to consider. The State of Tennessee accepted all responses during the public comment period and addressed concerns applicable to the Annual Action Plan throughout the report. Specific comments and State of Tennessee responses are in the appendix of this report.

## **6. Summary of comments or views not accepted and the reasons for not accepting them**

The State of Tennessee accepted all responses during the public comment period and addressed concerns applicable to the Annual Action Plan throughout the report. Specific comments and State of Tennessee responses are in the appendix of this report.

## **7. Summary**

Significant efforts were undertaken to obtain public input through postings to state websites, social media, newsletters, and newspaper advertisements. All objectives and goals within the plan address specific priority needs identified by extensive data and the public. The state continually obtains public input annually to ensure the plan is up to date and continues to address current community needs.

## PR-05 Lead & Responsible Agencies - 91.300(b)

### 1. Agency/entity responsible for preparing/administering the Consolidated Plan

The following are the agencies/entities responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source.

Agency Role		Name	Department/Agency
CDBG Administrator	TENNESSEE	Department of Economic and Community Development	
HOPWA Administrator	TENNESSEE	Department of Health	
HOME Administrator	TENNESSEE	Community Programs	
ESG Administrator	TENNESSEE	Community Programs	

**Table 1 – Responsible Agencies**

### Narrative

While the Tennessee Housing Development Agency has been designated as the lead agency for Tennessee's Consolidated Planning requirements, all of the administering agencies of the four grant programs participate in the development of the Annual Action Plan and the implementation of their respective programs. The FY 2016-17 Action Plan represents the cooperation of these agencies in working together to further affordable housing and community development in Tennessee. In addition, the plan is developed in consultation with the citizens of our state. The draft plan is made available for review and public comment, according to the guidelines developed in the five-year Consolidated Plan and our Citizen Participation Plan.

### Consolidated Plan Public Contact Information

Bettie Teasley Sulmers

Director, Research and Planning

Tennessee Housing Development Agency

Andrew Jackson Building

502 Deaderick Street, Third Floor

Nashville, TN 37243

P – 615.815.2125

F – 615.564.2700

[bteasleysulmers@thda.org](mailto:bteasleysulmers@thda.org)

## **AP-10 Consultation - 91.110, 91.300(b); 91.315(l)**

### **1. Introduction**

The State of Tennessee consulted with several local and regional service providers, community organizations, government entities, public and private housing providers, Tennessee Continuum of Care agencies, and residents while developing this annual Action Plan. The consultation process primarily consisted of communication through state websites, social media, newspaper public notices, email correspondence with these stakeholders. Specifically for the email correspondence with stakeholders, the State of Tennessee included links to the draft Action Plan and sought feedback on specific program modifications, new initiatives, and the funding prioritizations of housing, community, and economic development programs.

These efforts are in addition to periodic consultation throughout the year and the recent public comment period of the state's substantial amendment of the 2015-2019 Consolidated Plan. The state also solicited comments and feedback during workshops and informational meetings related to the four formula grant programs under this Annual Action Plan.

#### **Provide a concise summary of the state's activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies**

All of the above mentioned outreach efforts included staff and representatives from governmental health, mental health, and service agencies. Most specifically, the Department of Health and Mental Health were instrumental in crafting our HIV/AIDS assessment and our lead-based poison prevention approach.

#### **Describe coordination with the Continuum of Care and efforts to address the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans, and unaccompanied youth) and persons at risk of homelessness**

THDA administers Emergency Solutions Grant (ESG) contracts for the Tennessee Balance of State and Continuum of Care. Because service delivery structure and extent of homelessness differ regionally throughout Tennessee, THDA works with local continua continuously while administering the ESG Program.

THDA is a member of numerous consortia that assist low-income households and those who are homeless in Tennessee. THDA coordinates with these groups to help align services regionally. Specific to the Consolidated Plan and Action Plan, in 2015 THDA communicated with these groups through focus groups and presentations at local events to better understand the needs of the homeless population to include in the Consolidated Plan and Action Plan.

**Describe consultation with the Continuum(s) of Care that serves the State in determining how to allocate ESG funds, develop performance standards for and evaluate outcomes of projects and activities assisted by ESG funds, and develop funding, policies and procedures for the operation and administration of HMIS**

As previously mentioned, THDA administers ESG contracts for the Tennessee Balance of State and Continuum of Care (CoC) except in entitlement jurisdictions that receive their own allocation of ESG funds (Chattanooga, Memphis, and Nashville-Davidson County). THDA regularly attends CoC meetings and works closely with the CoC to administer the ESG program and address service gaps to homeless populations. THDA presented information on the Action Plan 15 times throughout the planning process of the Consolidated Plan and Action Plan in calendar year 2015 to service providers and other stakeholders that address homelessness and affordable housing needs. THDA requested feedback from the CoC during the public comment period for the reporting period of this Action Plan.

**2. Agencies, groups, organizations and others who participated in the process and consultations**

**Table 2 – Agencies, groups, organizations who participated**

1	<b>Agency/Group/Organization</b>	HABITAT FOR HUMANITY OF GREATER NASHVILLE
	<b>Agency/Group/Organization Type</b>	Services - Housing
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Through the Housing Needs Assessment / Survey and presentation
2	<b>Agency/Group/Organization</b>	TN Commission on Aging and Disability
	<b>Agency/Group/Organization Type</b>	Other government - State
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Non-Homeless Special Needs Market Analysis
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Through the Housing Needs Assessment / Survey and focus group
3	<b>Agency/Group/Organization</b>	TN Council on Developmental Disabilities
	<b>Agency/Group/Organization Type</b>	Other government - State
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Non-Homeless Special Needs Market Analysis
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Through the Housing Needs Assessment / Survey and focus group
4	<b>Agency/Group/Organization</b>	Tennessee Department of Mental Health and Substance Abuse Services
	<b>Agency/Group/Organization Type</b>	Other government - State

	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy Market Analysis
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Through the Housing Needs Assessment / Survey and focus group

**Identify any Agency Types not consulted and provide rationale for not consulting**

The State of Tennessee consulted with, or contacted to request comments and input, all relevant agencies.

**Other local/regional/state/federal planning efforts considered when preparing the Plan**

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Continuum of Care		
Tennessee Labor Education Alignment Program (LEAP)	Tennessee State Legislature	The goals of improving the workforce and infrastructure within the state overlap with LEAP's goal to address ongoing problems with poor alignment among key stakeholders in the state's education and workforce development systems.

**Table 3 - Other local / regional / federal planning efforts**

## Narrative

## **AP-12 Participation - 91.115, 91.300(c)**

### **1. Summary of citizen participation process/Efforts made to broaden citizen participation Summarize citizen participation process and how it impacted goal-setting**

The State of Tennessee solicited citizen participation through the use of email correspondence, postings to state and development district websites, and social media accounts (Facebook and Twitter). The state also published newspaper public notices to inform citizens of the public comment period for the Action Plan. Public notices informing citizens of the public comment period were published in the following newspapers:

- Chattanooga Times Free Press – Chattanooga
- The Commercial Appeal – Memphis
- The Daily Herald – Columbia
- El Crucero de Tennessee – Nashville
- Herald-Citizen – Cookeville
- The Jackson Sun – Jackson
- Johnson City Press – Johnson City
- Knoxville News Sentinel – Knoxville
- La Campana – Franklin
- La Prensa Latina – Memphis
- The Leaf-Chronicle – Clarksville
- State Gazette – Dyersburg
- The Tennessean - Nashville

Public input was solicited through these modes of communication during the Action Plan public comment period of April 1, 2016 until end of day May 1, 2016. THDA also created a space to submit comments and questions on the THDA website during the public comment period.

## Citizen Participation Outreach

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
1	Newspaper Ad	Non-targeted/broad community	Newspaper ad was published in the Chattanooga Times Free Press twice.	No comments were received.	NA	
2	Newspaper Ad	Non-targeted/broad community	Newspaper ad was published in The Commercial Appeal in Memphis TN.	No comments were received.	NA	
3	Newspaper Ad	Non-targeted/broad community	Newspaper ad was published in The Daily Herald in Columbia TN.	No comments were received.	NA	
4	Newspaper Ad	Non-English Speaking - Specify other language: Spanish	Newspaper ad was published in El Crucero De Tennessee in Nashville	No comments were received.	NA	
5	Newspaper Ad	Non-targeted/broad community	Newspaper ad was published in Herald-Citizen in Cookeville TN.	No comments were received.	NA	
6	Newspaper Ad	Non-targeted/broad community	Newspaper ad was published in The Jackson Sun in Jackson TN.	No comments were received.	NA	

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
7	Newspaper Ad	Non-targeted/broad community	Newspaper ad was published in Johnson City Press in Johnson City TN.	No comments were received.	NA	
8	Newspaper Ad	Non-targeted/broad community	Newspaper ad was published in Knoxville News Sentinel in Knoxville TN	No comments were received.	NA	
9	Newspaper Ad	Non-English Speaking - Specify other language: Spanish	Newspaper ad was published in La Campana in Franklin TN	No comments were received.	NA	
10	Newspaper Ad	Non-English Speaking - Specify other language: Spanish	Newspaper ad was published in La Prensa Latina in Memphis TN	No comments were received.	NA	
11	Newspaper Ad	Non-targeted/broad community	Newspaper ad was published in The Leaf-Chronicle in Clarksville TN	No comments were received.	NA	

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
12	Newspaper Ad	Non-targeted/broad community	Newspaper ad was published in State Gazette in Dyersburg TN	No comments were received.	NA	
13	Newspaper Ad	Non-targeted/broad community	Newspaper ad was published in The Tennessean in Nashville TN.	No comments were received.	NA	
14	Internet Outreach	Non-targeted/broad community	Public notice published on State of Tennessee websites: THDA, DOH, ECD, TN.gov	4 comments were received and accepted. A full summary of the comments are included in the appendix of this Action Plan.	NA	<a href="https://thda.org/about-thda/public-notice-and-comment">https://thda.org/about-thda/public-notice-and-comment</a>
15	Internet Outreach	Non-targeted/broad community	Public notice published on Tennessee Development District websites	No comments were received.	NA	<a href="http://www.ucdd.org/housing---family-services.html">http://www.ucdd.org/housing---family-services.html</a>

**Table 4 – Citizen Participation Outreach**

## Expected Resources

### AP-15 Expected Resources – 91.320(c)(1,2)

#### Introduction

The following table summarizes the anticipated resources, broken down by program type, allocated by the State of Tennessee during year two of the Consolidated Plan's planning period (FY 2015-2019).

#### Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Reminder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	25,265,266	5,222,696	21,800,000	52,287,962	75,000,000	TNECD receives CDBG funds for the non-entitlement areas of the state. These funds and any program income or recovered funds are used primarily for public facility projects across the state.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Reminder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
HOME	public - federal	Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA	9,582,308	5,413	174,121	9,761,842	30,000,000	THDA receives HOME funds for the cities, counties and profits outside of local participating jurisdictions. The funds and any program income or recovered funds are used to promote the production, preservation and rehabilitation of single family housing for low-income households.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Reminder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
HOPWA	public - federal	Permanent housing in facilities Permanent housing placement Short term or transitional housing facilities STRMU Supportive services TBRA	963,180	0	0	963,180	3,000,000	TDOH receives HOPWA funds for housing activities that benefit low-income persons living with HIV/AIDS and their families.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Reminder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
ESG	public - federal	Conversion and rehab for transitional housing Financial Assistance Overnight shelter Rapid re-housing (rental assistance) Rental Assistance Services Transitional housing	2,932,401	0	0	2,932,401	8,000,000	THDA receives ESG funds to provide the services necessary to help homeless persons or those at risk of being homeless quickly regain stability in permanent housing after experiencing a housing crisis and/or homelessness.
LIHTC	public - federal	Acquisition Multifamily rental new construction Multifamily rental rehab	150,000,000	0	0	150,000,000	450,000,000	The LIHTC program allocates federal tax credits to developers of low income rental housing. Allocations are made on the front end for 10 years. The dollars reflected above are the 10-year values of the allocations to be made during the ConPlan period.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Reminder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
Other	public - federal	Acquisition Economic Development Homeowner rehab Housing Public Improvements Other	12,000,000	0	0	12,000,000	30,000,000	Funding from 2008, 2010 and 2013 disasters were provided to TN, totaling \$137,234,407. TNECD plans to spend down all disaster funds that are currently allocated to the state during the period of the Con Plan. That is approximately \$13M in 13 CDBG-DR funds, \$30M in 2008-DR funds, and \$8M in 2010-DR funds. TNECD submitted an application for disaster recovery and resiliency funds during FY 2015. If those funds are awarded, they will be obligated and a portion of them will be expended during the period of the Con Plan. If any new disaster declarations result in an allocation, TNECD will attempt to obligate those funds as quickly as possible.
Other	public - federal	Other	450,000	0	0	450,000	1,350,000	Leveraged Ryan White funds.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Reminder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
Other	public - federal	Rental Assistance	196,000,000	0	0	196,000,000	628,000,000	The Section 8 Contract Administration Division of THDA administers the Section 8 Contract Administration Program. THDA administers the Section 8 Housing Assistance Payments (HAP) Contracts and is responsible for approving and making the monthly payment to property owners throughout the state. At the end of calendar year 2014, the Division had 395 contracts, representing 34,828 families, and monthly HAPs averaging approximately \$13.2 million per month. During FY 2015-16, it is anticipated that the number of contracts, number of units and amount of HAPs per month to be stable.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Reminder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
Other	public - state	Homebuyer assistance	550,000	0	0	550,000	1,050,000	THDA requires homebuyer education for one of our home loan programs and encourages it for everyone considering homeownership. The purpose of homebuyer education is not only to assist people with purchasing homes, but also to help them become successful homeowners. THDA provides approved local nonprofit organizations and UT Extension agents with materials to teach first-time homebuyer education classes and hosts certification training for homebuyer education providers.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Reminder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
Other	public - state	Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership Short term or transitional housing facilities Transitional housing	7,500,000	0	0	7,500,000	22,500,000	The Housing Trust Fund (HTF) funds five programs to address unmet housing needs in Tennessee. The Competitive Grants program targets rental housing needs across the state for low and very low income residents. Other programs address rural housing needs, housing modifications for persons with disabilities, home repair for the elderly and new home construction and purchase for low income Tennesseans.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Reminder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
Other	public - state	Other	4,000,000	0	0	4,000,000	12,000,000	CITC - Financial institutions may obtain a credit against the franchises' excise tax liability when qualified loans, investments, grants, or contributions are extended to eligible non-profit organizations, development districts, public housing authorities, or THDA for activities that create or preserve affordable housing, help low-income Tennesseans obtain affordable housing, or activities that help build the capacity of eligible non-profit organizations who provide housing opportunities for low income Tennesseans.

Table 5 - Expected Resources – Priority Table

**Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied**

HOME Investment Partnerships Program: For HOME, THDA will continue to provide the required federal match. Although no local match is required from applicants, THDA will count toward its matching requirement any nonfederal project funds that qualify as match under the HOME

rule. In the scoring matrix, any project that has leveraged funds will receive additional points.

Emergency Solutions Grant Program (ESG): The ESG program requires that grantees provide a dollar for dollar match for ESG funds. Each grantee must provide a certification of matching funds. All grantees must supplement their ESG funds with equal amounts of funds or in-kind support from non-ESG sources. Certain other federal grants contain language that may prohibit their being used as a match. Matching funds or in-kind support must be provided after the date of the grant award to the recipient and within the period of the ESG contract with THDA. The recipient may not include funds used to match any previous ESG grant.

THDA will allocate \$100,000 of ESG funding that does not require matching funds to the Tennessee Department of Mental Health and Developmental Disabilities (TDMHDD).

Housing Opportunities for Persons with AIDS/HIV (HOPWA): HOPWA does not require a match for their grants.

**If appropriate, describe publically owned land or property located within the jurisdiction that may be used to address the needs identified in the plan**

The TN CDBG program awards many projects each year that will be completed on publicly-owned property, particularly water and sewer system improvement projects where work is often done at water and wastewater treatment plants or other similar properties.

## **Discussion**

## Annual Goals and Objectives

### AP-20 Annual Goals and Objectives – 91.320(c)(3)&(e)

#### Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Creation and preservation of affordable housing	2015	2019	Affordable Housing	Non-Entitlement Statewide Grant Allocation Priority	Fair housing Infrastructure, disinvestment, disaster recovery Limited housing opportunities	CDBG: \$2,951,903 HOME: \$9,582,308 LIHTC: \$150,000,000 Community Investment Tax Credits: \$4,000,000 Homebuyer Education: \$550,000 Housing Choice Vouchers: \$31,000,000 Section 8 Project Based Contract Administration: \$165,000,000 Tennessee Housing Trust Fund: \$7,500,000	Rental units constructed: 20 Household Housing Unit Rental units rehabilitated: 10 Household Housing Unit Homeowner Housing Added: 5 Household Housing Unit Homeowner Housing Rehabilitated: 400 Household Housing Unit Direct Financial Assistance to Homebuyers: 10 Households Assisted

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
2	Preserve homeless facilities & supportive services	2015	2019	Homeless	Non-Entitlement Statewide Grant Allocation Priority	Limited housing opportunities	ESG: \$2,931,401	Public Facility or Infrastructure Activities for Low/Moderate Income Housing Benefit: 1202 Households Assisted Tenant-based rental assistance / Rapid Rehousing: 1160 Households Assisted Homeless Person Overnight Shelter: 15406 Persons Assisted Homelessness Prevention: 4230 Persons Assisted
3	Preserve housing for persons with AIDS/HIV	2015	2019	Affordable Housing Non-Homeless Special Needs	Non-Entitlement Statewide Grant Allocation Priority	Fair housing Limited housing opportunities Limited non-housing supportive services	HOPWA: \$963,180	Public Facility or Infrastructure Activities for Low/Moderate Income Housing Benefit: 400 Households Assisted Tenant-based rental assistance / Rapid Rehousing: 419 Households Assisted
4	Physical infrastructure development	2015	2019	Non-Housing Community Development	Non-Entitlement Statewide Grant Allocation Priority	Fair housing Infrastructure, disinvestment, disaster recovery	CDBG: \$41,478,700 CDBG-DR: \$5,000,000	Public Facility or Infrastructure Activities for Low/Moderate Income Housing Benefit: 188009 Households Assisted

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
5	Revitalize disinvested areas & improve livability	2015	2019	Non-Housing Community Development	Non-Entitlement Statewide Grant Allocation Priority	Infrastructure, disinvestment, disaster recovery	CDBG: \$4,918,180 CDBG-DR: \$8,000,000	Other: 25 Other
6	TA, Job/Business Development, Administration	2015	2019	Non-Housing Community Development	Non-Entitlement Statewide Grant Allocation Priority	Infrastructure, disinvestment, disaster recovery Limited non-housing supportive services	CDBG: \$1,948,573	Other: 15 Other
7	Target economic distress	2015	2019	Non-Housing Community Development	Non-Entitlement Statewide Grant Allocation Priority	Infrastructure, disinvestment, disaster recovery	CDBG: \$985,627	Businesses assisted: 20 Businesses Assisted
8	Fair housing	2015	2019	Affordable Housing Public Housing Homeless	Non-Entitlement Statewide Grant Allocation Priority	Fair housing Limited housing opportunities	CDBG: \$4,978 HOPWA: \$1,000 HOME: \$3,000 Homebuyer Education: \$275,000	Other: 1500 Other

**Table 6 – Goals Summary**

## Goal Descriptions

1	<b>Goal Name</b>	Creation and preservation of affordable housing
	<b>Goal Description</b>	Create and maintain affordable rental and homeownership stock with the construction of new affordable housing, rehabilitate existing affordable housing, provide down payment assistance and provide tenant-based rental assistance to eligible populations.
2	<b>Goal Name</b>	Preserve homeless facilities & supportive services
	<b>Goal Description</b>	Preserve homeless facilities to ensure they can continue to meet the needs of Tennessee's homeless population and provide resources to support those who are homeless or at risk of homelessness.
3	<b>Goal Name</b>	Preserve housing for persons with AIDS/HIV
	<b>Goal Description</b>	Provide resources to preserve affordable housing options for those persons with HIV/AIDS.
4	<b>Goal Name</b>	Physical infrastructure development
	<b>Goal Description</b>	Provide resources to cities and communities to update and repair water and sewer systems. Also, create the base of infrastructure that will provide for a high quality of life for individuals, productive capacity for communities, and that will support economic development.
5	<b>Goal Name</b>	Revitalize disinvested areas & improve livability
	<b>Goal Description</b>	Provide communities with resources to revitalize public and community infrastructure and assets to improve the livability of communities.
6	<b>Goal Name</b>	TA, Job/Business Development, Administration
	<b>Goal Description</b>	Provide resources to cities and communities to support job creation, job training, and other job related opportunities.
7	<b>Goal Name</b>	Target economic distress
	<b>Goal Description</b>	Deliver community development programs in a manner that provides maximum assistance not only to economically disadvantaged individuals, but also to economically disadvantaged or low- to moderate-income areas of the state.

<b>8</b>	<b>Goal Name</b>	Fair housing
	<b>Goal Description</b>	Affirmatively furthering fair housing by providing training and technical assistance to communities, organizations, realtors, lenders and other stakeholders. Also provide fair housing counseling, outreach, and education to households, organizations, realtors, lenders and other stakeholders.

**Table 7 – Goal Descriptions**

## AP-25 Allocation Priorities – 91.320(d)

### Introduction

Tennessee will address the strategic housing and community needs as articulated in the Consolidated Plan through the four Consolidated Planning grants and other resources that the state and HUD provide to address this need.

### Funding Allocation Priorities

	Creation and preservation of affordable housing (%)	Preserve homeless facilities & supportive services (%)	Preserve housing for persons with AIDS/HIV (%)	Physical infrastructure development (%)	Revitalize disinvested areas & improve livability (%)	TA, Job/Business Development, Administration (%)	Target economic distress (%)	Fair housing (%)	Total (%)
CDBG	6	0	0	79	10	3	2	0	100
HOME	99	0	0	0	0	0	0	1	100
HOPWA	0	0	100	0	0	0	0	0	100
ESG	0	99	0	0	0	0	0	1	100
LIHTC	100	0	0	0	0	0	0	0	100
Other CDBG-DR	0	0	0	38	62	0	0	0	100
Other Community Investment Tax Credits	100	0	0	0	0	0	0	0	100
Other Homebuyer Education	50	0	0	0	0	0	0	50	100
Other Housing Choice Vouchers	100	0	0	0	0	0	0	0	100

Other Leveraged Funds Ryan White	0	0	100	0	0	0	0	0	<b>100</b>
Other Section 8 Project Based Contract Administration	100	0	0	0	0	0	0	0	<b>100</b>
Other Tennessee Housing Trust Fund	100	0	0	0	0	0	0	0	<b>100</b>

**Table 8 – Funding Allocation Priorities**

### **Reason for Allocation Priorities**

Affordable housing and community development are the central needs addressed by the Consolidated Plan. The allocation priorities reflect the deep need for affordable housing in Tennessee both with the HUD resources provided to the state and other state resources dedicated to improving affordability and quality in housing for low- and moderate-income Tennesseans. As described in the Needs Assessment, Market Analysis, and Housing & Community Needs Survey responses, there is a continuing need for additional affordable housing opportunities across the state.

The majority of Tennessee’s housing stock, 36% owner-occupied and 42% renter-occupied, was built between 1950 and 1979. Furthermore, 11.2% of the total units were built prior to 1950. Based on the age of most of the housing stock alone, there is a need for rehabilitation of both rental and ownership units. Further, feedback from stakeholders collected in the Housing & Community Needs Survey states a general need for owner- and rental-occupied rehabilitation. According to the Housing Affordability table in section MA-15, there were 187,325 renter households with less than 30 percent of AMI in Tennessee from 2007-2011. During the same time period, there were 70,610 rental units affordable to households in this income level (this does not include public housing, HVC, or other subsidized housing). In addition to the general needs for affordable housing, there is a high need for the development, rehabilitation, and provision of associated housing services and facilities for homeless and non-homeless special populations, especially persons with disabilities and rural homeless. As noted in the Needs Assessment of the Consolidated Plan, there are needs for accessible units, homeless facilities, and housing assistance to adequately serve these populations.

Additionally, based on stakeholder and citizen feedback, there is a general need for infrastructure, community facilities, and economic

development activities through business assistance and development programs and downtown revitalizations. Many communities in Tennessee have delayed improvements and maintenance to infrastructure and community facilities, heightening the need for these activities. Many communities in Tennessee are still recovering from the economic recession and recent natural disasters, resulting in a need for continued economic development and revitalization activities.

**HOPWA:** the proposed distribution of funds address all of our priority need housing areas to include but not limited to preserving affordable housing, provide suitable living environments, permanent housing placement- PHP, short term rent, mortgage and utility assistance STRMU, tenant-based rental assistance –TBRA, Supportive Services- SS to the extent that it is driven by applicant demand of these activities and federal and State statutory or regulatory requirements for the use of these funds to prevent and or alleviate homelessness among people living with HIV/AIDS.

**Disaster Recovery Needs:** The State will continue the use of the Disaster Recovery funds to rebuild, reestablish, and improve communities that were impacted by presidentially declared disasters in 2008, 2010, and 2011. The State will also utilize funding awarded as part of the National Disaster Resilience Competition to develop and build a mindset of using HUD and other leveraged funds to become more resilient to natural and economic disasters.

### **How will the proposed distribution of funds will address the priority needs and specific objectives described in the Consolidated Plan?**

Each of the four Consolidated Planning Programs has their own method of distribution. Each method is intended to ensure that all non-entitlement areas can compete for these funds. Program specific need-based preferences can be found in these methods of distribution.

One recent programmatic decision warrants additional mention. In 2014, THDA amended its HOME Program Description to restrict eligible activities to homeowner rehabilitation and homebuyer downpayment assistance in its Urban/Rural allocations and the development of units for homeownership by Community Housing Development Organizations (CHDOs) in its CHDO set-aside. All rental development previously eligible under the state's HOME Program will be moved THDA's Housing Trust Fund Competitive Grants. There is a deep need in all of these types of housing efforts and the provision of state funds in the rental housing sector is a reflection of our commitment to address each of these needs.

## AP-30 Methods of Distribution – 91.320(d)&(k)

### Introduction

Each of the four Consolidated Planning Programs has their own method of distribution. Each method is intended to ensure that all non-entitlement areas can compete for these funds. Program specific need-based preferences can be found in these methods of distribution.

### Distribution Methods

Table 9 - Distribution Methods by State Program

1	<b>State Program Name:</b>	CDBG - Economic Development
	<b>Funding Sources:</b>	CDBG
	<b>Describe the state program addressed by the Method of Distribution.</b>	The only purpose of the CDBG economic development program is to generate employment opportunities for Low-Moderate Income persons. Each application must contain a commitment by a private business that it will locate or expand as a result of the CDBG assistance and that at least 51 percent of the jobs to be created or retained will be taken by LMI persons.

**Describe all of the criteria that will be used to select applications and the relative importance of these criteria.**

1. Only basic-type economic activities will be supported. These are businesses which export more than half of their products or services outside of Tennessee, generating income that supports the growth of the non-basic sector (retail, local services, etc.). Manufacturing is the classic basic economic activity, but businesses other than manufacturing will be considered if they can meet the test for a basic economic activity.
2. Local governments are required to hold two public meetings. The first meeting, which must be advertised in a local public paper at least one week prior to the date of the meeting, is designed to solicit information about the community needs and how CDBG funds can best be used to address these needs. Communities are required to present information about how much money is available, what types of projects are being considered, and what activities are eligible. After the grant is awarded, a second public hearing must be held to discuss the impact/accomplishments of the project.
3. The maximum loan or grant any community/company may receive is \$500,000. A community's Three Star status can improve the amount the community is eligible for. Economically Distressed Counties which meet threshold tests for income, unemployment, and poverty may receive up to \$750,000. The amount of financing is negotiated with the company and is usually less than the maximum amounts available depending on the location of the project. The maximum term of a loan for equipment is seven years for any project. Special economic development incentives are provided for economically distressed counties. These are increasing the loan amount limits, extending the term of industrial buildings, and reducing the interest rates in economically distressed counties. Economically Distressed Counties (EDC) are those which are among the 10 worst counties for each of the following: unemployment, income, and poverty. The Commissioner of Economic and Community Development may designate additional counties as EDC if they exhibit substantial characteristics of economic distress such as major loss of employment, recent high unemployment rates, traditionally low levels of family incomes, high levels of poverty, and high concentrations of employment in declining industries.
4. All federal requirements that apply to the community development projects in the annual competition apply to the economic development program.  
Annual Action Plan
5. A pre-application meeting is required for all economic development projects. This is to provide advice and give companies and communities the opportunity to ask questions.
6. Companies applying for CDBG loan assistance must demonstrate their ability to ensure loan repayment. The state will determine the adequacy of public benefit by comparing the amount

<p><b>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</b></p>	<p>All CDBG manuals and applications materials are available on the ECD website and by request.</p>
<p><b>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</b></p>	<p>NA</p>
<p><b>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</b></p>	<p>NA</p>

	<b>Describe how resources will be allocated among funding categories.</b>	Applications are reviewed on a first-come, first-served basis and need not be submitted on any particular date. Applications submitted must be complete. Incomplete applications will be returned to the applicant community with a copy of the transmittal letter to the company and the application preparer. Once the complete application is received, it will be reviewed as a new application and will not assume its former position in the order of review.
	<b>Describe threshold factors and grant size limits.</b>	Grant threshold for economically distressed counties: \$750,000 Grant threshold for all other counties: \$500,000
	<b>What are the outcome measures expected as a result of the method of distribution?</b>	Number of projects expected to be completed under each of the activity descriptions based on prior grant years.
<b>2</b>	<b>State Program Name:</b>	CDBG - Regular Round

	<b>Funding Sources:</b>	CDBG
	<b>Describe the state program addressed by the Method of Distribution.</b>	The State of Tennessee holds an annual round of applications open to all non-entitlement jurisdictions that do not have a grant open at the time of application. A public meeting was held in September of 2015 to discuss the application and award process of the 2016 grants. All local officials from eligible non-entitlement jurisdictions, along with administrators and engineers who frequently work with CDBG projects, were invited to participate and offer comments. More the 70 people were in attendance.

**Describe all of the criteria that will be used to select applications and the relative importance of these criteria.**

All applications must meet 4 criteria, before being scored:

1. Meet a National Objective
2. Be an eligible activity
3. Be a non-entitlement jurisdiction
4. Be an eligible community development objective  
Physical Infrastructure Development - to create the base of infrastructure that will provide for a high quality of life for individuals and productive capacity for communities.  
Job Opportunity Development - to implement programs that will create a climate that is receptive to and encourages the growth of private sector jobs.  
Human Resources Development - to develop a human resource base that is healthy and capable of working at full capacity and that has the skills and education that enable them to do so.  
Target Economic Distress - to deliver community development programs in a manner that provides maximum assistance not only to economically disadvantaged individuals, but also to economically disadvantaged areas of the state.  
Maximize Grantees - to use the resources available to the state in a manner which will maximize the number of grantees and, therefore, beneficiaries of the programs.

For State Fiscal Year 2016-17 applicants may apply for funding from one of five different program categories: Economic Development, Water/Sewer, Housing Rehabilitation, Community Livability and Commercial Façade Improvements. All Urgent Need/Imminent Threat projects must also fall into one of the program categories.

Applications are scored based on the following criteria:

- Community Need
- Latest annual county unemployment rate  
Target area/Census per capita income  
2005-2014  
average county unemployment rate  
2013 per capita income
- Project Need  
Project need points measure the degree to which there is a need for the project (no existing facilities or existing facilities are inadequate). Due to the different types of projects, project need points are structured differently based on project type.
- Project Feasibility  
Project Feasibility is not scored and is instead a threshold for water/sewer projects. The feasibility of Community Livability projects are based on 1) quality of design, 2) cost effectiveness, 3) Alternatives, 4) Adequacy of operating budget, 5) Quality of documentation that the project will solve the problem. Housing feasibility is based on the assessment of the amount of work needed as proposed and the magnitude of the problems.

<p><b>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</b></p>	<p>All CDBG manuals and applications materials are available on the ECD website and by request.</p>
<p><b>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</b></p>	<p>NA</p>
<p><b>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</b></p>	<p>NA</p>

<p><b>Describe how resources will be allocated among funding categories.</b></p>	<table> <tr> <td>Water and Sewer Projects</td><td>\$20,007,308</td></tr> <tr> <td>Community Livability Projects</td><td>\$3,000,000</td></tr> <tr> <td>Housing Projects</td><td>\$1,000,000</td></tr> <tr> <td>Commercial Façade Projects</td><td>\$500,000</td></tr> <tr> <td>Administration and Tech. Assistance</td><td>\$757,958</td></tr> <tr> <td><b>Total</b></td><td><b>\$25,265,266</b></td></tr> </table> <p>The CDBG program for this fiscal year has \$27,022,696 of additional funds. Within this Action Plan, estimates were assigned based on percentages spent per CDBG category however depending on need, those amounts may be updated.</p>	Water and Sewer Projects	\$20,007,308	Community Livability Projects	\$3,000,000	Housing Projects	\$1,000,000	Commercial Façade Projects	\$500,000	Administration and Tech. Assistance	\$757,958	<b>Total</b>	<b>\$25,265,266</b>
Water and Sewer Projects	\$20,007,308												
Community Livability Projects	\$3,000,000												
Housing Projects	\$1,000,000												
Commercial Façade Projects	\$500,000												
Administration and Tech. Assistance	\$757,958												
<b>Total</b>	<b>\$25,265,266</b>												
<p><b>Describe threshold factors and grant size limits.</b></p>	<p>Community Livability grants have a max threshold request of \$300,000. Water, sewer, and housing have thresholds of \$500,000. Commercial Façade grants have a threshold of \$100,000. Community Livability projects have the potential of \$15,000 bonus and water/sewer \$25,000 bonus based on if the applicant is located in a ThreeStar county.</p>												

	<b>What are the outcome measures expected as a result of the method of distribution?</b>	<ul style="list-style-type: none"> <li>Number of projects expected to be completed under each of the activity descriptions based on prior grant years. Additionally, the CDBG program tracks each project upon close as meeting on the following outcome categories: Accessibility/Availability/Affordability</li> </ul> <p>Sustainability</p>
3	<b>State Program Name:</b>	ESG - Set Aside
	<b>Funding Sources:</b>	ESG
	<b>Describe the state program addressed by the Method of Distribution.</b>	<p>The ESG Program is designed to identify sheltered and unsheltered homeless persons, as well as those at risk of homelessness, and provide the services necessary to help those persons to quickly regain stability in permanent housing after experiencing a housing crisis and/or homelessness. THDA will spend up to 7.5% of its ESG allocation for administrative and planning expenses. THDA will share the amount available for administration with the small city entitlement communities that do not receive their own ESG allocation from HUD as well as other successful local government applicants. Non-profit agencies are not eligible to receive funds for administration.</p> <p>THDA will implement a Small Cities Set-Aside for FY 2016. THDA will allocate 38% of the remaining ESG funds on a formula basis to the twelve CDBG entitlement cities that do not receive ESG grants, but are expected to address homelessness through the "Continuum of Care" described in their Consolidated Plans. These cities are: Bristol, Clarksville, Cleveland, Franklin, Hendersonville, Jackson, Johnson City, Kingsport, Knoxville, Morristown, Murfreesboro and Oak Ridge. This set-aside percentage is for FY16 and will serve as a transition step as we will eliminate the Small City Set-Aside within the ESG program for the FY17 program cycle. The existing set-aside structure provides an extra layer of administration and complexity to the program that can be reduced if all resources are directly awarded by THDA to the nonprofit entities.</p>

	<p><b>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</b></p>	<p>Agencies applying for ESG funding must include in their application documentation that is supported by data showing:1) need for the program; 2) evidence of homelessness or at-risk of homelessness population within the community; 3) a plan that summarizes how funds will be used to address the unmet needs of their community; and 4) evidence that the applicant has collaborated with the local Continuum of Care (CoC) and that activities selected will help the CoC to meet its goals to address and end homelessness.</p> <p>For complete criteria, please consult the ESG Program Description and Policies and Procedures Manual at <a href="http://thda.org/business-partners/esg">http://thda.org/business-partners/esg</a></p>
	<p><b>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</b></p>	<p>NA</p>

<p><b>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</b></p>	<p>Non-profits compete in the competitive round of ESG funds (see below). However, local government recipients may distribute all or a part of their ESG funds to eligible, private 501(c)(3) non-profit organizations for allowable ESG activities. Once a year, THDA hosts grantee workshops three locations in state, website, notify CoC lead agencies to distribute that include community and faith based organization.</p>
<p><b>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</b></p>	<p>NA</p>

	<p><b>Describe how resources will be allocated among funding categories.</b></p>	<p>The funding categories within ESG are: Street Outreach; Emergency Shelter; Prevention and Rapid Re-housing.</p> <p>Expenditure limits of combined Street Outreach and Emergency Shelters cannot exceed 60% of the maximum grant of \$100,000.</p>
	<p><b>Describe threshold factors and grant size limits.</b></p>	<p>Threshold criteria includes: submission of a complete application; proposal of an eligible activity; proposal of a project that in the opinion of THDA is physically, financially and administratively feasible; proposal of a project that meets the requirements of 24 CFR Part 576 and 91, as amended.</p> <p>An applicant must apply for at least \$35,000 and may apply for a maximum of \$100,000 in ESG funding.</p>

	<p><b>What are the outcome measures expected as a result of the method of distribution?</b></p>	<p>The Tennessee ESG Policies and Procedures Manual instructs grantees to adopt performance standards consistent with HUD and THDA program requirements. Examples of outcome measures expected are :reducing the average length of time a person is homeless; reducing returns to homelessness; improving program coverage; reducing the number of homeless individuals and families; reducing the number of chronically homeless individuals and families; improving employment rate and income amounts of program participants; reducing first time homelessness; preventing homelessness and achieving independent living in permanent housing for families and youth defined as homeless under other Federal programs.</p> <p>Although THDA understands many sub-recipients have chosen to provide one-time emergency rent or utility assistance to prevent homelessness, sub-recipients receiving ESG funds should use all available resources that will ensure the ongoing housing stability of program participants.</p>
4	<b>State Program Name:</b>	ESG Competitive Grants
	<b>Funding Sources:</b>	ESG
	<b>Describe the state program addressed by the Method of Distribution.</b>	<p>The ESG Program is designed to identify sheltered and unsheltered homeless persons, as well as those at risk of homelessness, and provide the services necessary to help those persons to quickly regain stability in permanent housing after experiencing a housing crisis and/or homelessness.</p> <p>For FY16, THDA will also open up the ESG competition to local units of government and allow nonprofits in the ESG entitled communities of Chattanooga, Memphis and Nashville to apply directly to THDA for resources. For the upcoming allocation round, we will not only have approximately \$3M in 2016 resources but \$1.2M in 2015 resources that were not allocated last year. This change will provide an opportunity to make these resources available in communities which account for over 40% of all homelessness in the state based on 2014 Point in Time Counts and support local Continuum of Care efforts to address this issue. The remaining ESG funds available after 7.5% admin and the Small Cities Set-Aside will be allocated to eligible applicants in a competitive grant application process.</p>

<p><b>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</b></p>	<p>ESG applicants are scored on the following sets of criteria, and given scoring points accordingly: PROGRAM DESIGN (up to 25 points); APPLICANT CAPACITY (up to 30 points); FISCAL INFORMATION (up to 30 points); CRITICAL NEED (up to 10 points); DOMESTIC VIOLENCE SHELTERS (up to 5 points).</p> <p>For complete criteria, please consult the ESG Program Description and Policies and Procedures Manual at <a href="http://thda.org/business-partners/esg">http://thda.org/business-partners/esg</a></p>
<p><b>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</b></p>	<p>NA</p>

<p><b>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</b></p>	<p>Non-profits compete in the competitive round of ESG funds. Additionally, local government recipients may distribute all or a part of their ESG funds to eligible, private 501(c)(3) non-profit organizations for allowable ESG activities. Once a year, THDA hosts grantee workshops three locations in state, website, notify CoC lead agencies to distribute that include community and faith based organization. Non-profit organizations are eligible to receive funds only if such funding is approved by the local government jurisdiction where programs are based.</p> <p>Non-profits must be an eligible non-profit agency as defined in the ESG Program Description.</p>
<p><b>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</b></p>	<p>NA</p>

	<b>Describe how resources will be allocated among funding categories.</b>	<p>The funding categories within ESG are: Street Outreach; Emergency Shelter; Prevention and Rapid Re-housing.</p> <p>Expenditure limits of combined Street Outreach and Emergency Shelters cannot exceed 60% of the maximum grant of \$100,000.</p>
	<b>Describe threshold factors and grant size limits.</b>	<p>Threshold criteria includes: submission of a complete application; proposal of an eligible activity; proposal of a project that in the opinion of THDA is physically, financially and administratively feasible; proposal of a project that meets the requirements of 24 CFR Part 576 and 91, as amended.</p> <p>An applicant must apply for at least \$35,000 and may apply for a maximum of \$100,000 in ESG funding.</p>
	<b>What are the outcome measures expected as a result of the method of distribution?</b>	<p>The Tennessee ESG Policies and Procedures Manual instructs grantees to adopt performance standards consistent with HUD and THDA program requirements. Examples of outcome measures expected are: reducing the average length of time a person is homeless; reducing returns to homelessness; improving program coverage; reducing the number of homeless individuals and families; reducing the number of chronically homeless individuals and families; improving employment rate and income amounts of program participants; reducing first time homelessness; preventing homelessness and achieving independent living in permanent housing for families and youth defined as homeless under other Federal programs.</p>
<b>5</b>	<b>State Program Name:</b>	HOME - CHDO Round

	<b>Funding Sources:</b>	HOME
	<b>Describe the state program addressed by the Method of Distribution.</b>	<p>Activities under the HOME Program must address the housing needs of low-income households. Eligible activities include: <i>Housing Rehabilitation</i> - the use of HOME funds will be limited to the rehabilitation of existing housing units. A maximum of \$40,000 per house for rehabilitation costs (excluding building inspections, LBP inspections, energy related inspections, administration) will be allowed; <i>Homeownership programs</i> - are restricted to a soft second mortgage necessary to qualify the household for permanent financing; <i>CHDO Operating Expenses, Developer's Fees and CHDO Proceeds</i>; and <i>Project Soft Costs</i> - in planning their programs, applicants may include the costs for inspections and work write-ups as a project-related soft cost. There is a limit to these costs of 7% of the hard costs of the rehabilitation or construction, not to exceed \$2,100 or be less than \$500.</p>

<p><b>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</b></p>	<ol style="list-style-type: none"> <li><b>1. CAPABILITY Up to 50 points:</b> The proposed project demonstrates exceptional planning and readiness and the organization demonstrates sufficient capacity beyond threshold.</li> <li><b>2. NEED Up to 50 points:</b> THDA has calculated need factors using housing statistics for counties. Factors are based on percentages rather than absolute numbers. For homeowner projects, the need factors used are percentage of owner households that are low income; the percentage of low income owner households with cost burden or other problems; and the percent of affordable owner units built before 1960. For multi-county projects, the need score is calculated proportionately according to the number of units proposed for each county.</li> <li><b>3. NOT PROPORTIONALLY SERVED Up to 50 points:</b> THDA shall award up to 50 additional points to applications submitted from areas where the amount of THDA and HOME funding is below the state average. The formula for awarding these points is based on the percentage of 1992-2013 HOME dollars awarded in each county. For multi-county projects, this score is calculated proportionately according to the number of units in each county.</li> <li><b>4. DISASTER AREAS 10 points:</b> THDA shall award 10 additional points to applications for projects located in counties that have been declared a presidential disaster area under the Robert T. Stafford Disaster Relief and Emergency Assistance Act in the year prior to the application due date.</li> <li><b>5. LEVERAGE Up to 10 points:</b> THDA shall award up to 10 additional points to applications that include the use of funds from other sources. THDA will award point in this category based on the actual percentage of other funds in the project. Leveraged funds counted in one program year do not qualify again as leverage in subsequent years. In order to receive point, there must be written documentation for the leveraged funds in the application.</li> </ol>
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<p><b>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</b></p>	<p>NA</p>
<p><b>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</b></p>	<p>NA</p>
<p><b>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</b></p>	<p>NA</p>

<p><b>Describe how resources will be allocated among funding categories.</b></p>	<p><b>CHDO Set-aside.</b> Fifteen percent (15%) of the total 2015 HOME allocation and 2016 HOME allocation will be reserved for eligible applications from CHDOs, including CHDOs located in Local PJs. The THDA HOME funding to successful CHDO applicants in the Local PJs will be reduced by the amount of funding the CHDO receives from the Local PJs to keep within the \$500,000 maximum grant.</p> <p>Beginning with the 2015 HOME allocation, HUD will no longer consider a PJ as meeting its 24-month CHDO commitment through a cumulative total of CHDO commitments since 1992, , and each grant year must meet its own 24-month commitment deadline. This means that a successful CHDO that receives an allocation of 2015 CHDO funds, must commit those funds to specific units no later than July 31, 2017 and a successful CHDO that receives an allocation of 2016 CHDO funds, must commit those funds to specific units no later than July 31, 2018. In addition, the execution of a HOME Working Agreement and the establishment of a CHDO sub-grant in IDIS is insufficient to meet this requirement. HUD will recapture any 2015 CHDO funds not committed to <u>specific CHDO activities by July 31, 2017</u> and will recapture any 2016 CHDO funds not committed to <u>specific CHDO activities by July 31, 2018</u>. CHDO applicants need to be aware of these dates and have a pipeline of eligible home buyers so they can begin their projects as soon as the environmental reviews are completed.</p> <p>If in the opinion of THDA, the applications submitted do not contain viable proposals or are from a CHDO that lacks the organizational potential to comply with all HOME affordability requirements, THDA may choose not to award all of the FY 2015 or 2016 CHDO funds in the current application round.</p>
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	<b>Describe threshold factors and grant size limits.</b>	An applicant must apply for at least \$100,000 and may apply for a maximum HOME grant of \$500,000. There is a \$750,000 limit on the amount of HOME funds that can be awarded in any one county. The THDA HOME funding to successful CHDO applicants in the Local PJs will be reduced by the amount of funding the CHDO receives from the Local PJs to keep within the \$500,000 maximum grant.
	<b>What are the outcome measures expected as a result of the method of distribution?</b>	The expected outcome measure is that the activities under the HOME Program effectively address the housing needs of low-income households.
6	<b>State Program Name:</b>	HOME Program
	<b>Funding Sources:</b>	HOME
	<b>Describe the state program addressed by the Method of Distribution.</b>	Activities under the HOME Program must address the housing needs of low-income households. Eligible activities include: <i>Housing Rehabilitation</i> - the use of HOME funds will be limited to the rehabilitation of existing housing units. A maximum of \$40,000 per house for rehabilitation costs (excluding building inspections, LBP inspections, energy related inspections, administration) will be allowed. <i>Homeownership programs</i> - are restricted to a soft second mortgage necessary to qualify the household for permanent financing.

<p><b>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</b></p>	<p>1. <b>PROGRAM DESIGN Up to 35 points:</b> The proposed program demonstrates exceptional planning, readiness and administrative capability. All necessary components to accomplish the project have been identified in the application.</p> <p><b>NEED Up to 50 points:</b> THDA has calculated need factors using housing statistics for counties. Factors are based on percentages rather than absolute numbers. For homeowner projects, the need factors used are the percentage of owner households that are low income; the percentage of owner households with cost burden; the percentage of affordable owner units built before 1960; the percentage of homes lacking complete kitchen facilities; the percentage of homes lacking complete plumbing facilities; and the percentage of food stamp recipient households in the county. For multi-county projects, the need score is calculated proportionately according to the number of units proposed for each county.</p> <p><b>NOT PROPORTIONALLY SERVED Up to 50 points:</b> THDA shall award up to 50 additional points to applications submitted from areas where the amount of prior THDA and HOME funding is below the state average. The formula for awarding these points is based on the percentage of 1992 - 2013 HOME dollars awarded in each county.</p> <p><b>DISASTER AREAS : 10 points</b> THDA shall award 10 additional points to applications for projects located in counties that have been declared a presidential disaster area under the Robert T. Stafford Disaster Relief and Emergency Assistance Act in the year prior to the application due date.</p> <p><b>LEVERAGE Up to 10 points:</b> THDA shall award up to 10 additional points to applications that include the use of funds from other sources. THDA will award points in this category based on the actual percentage of other funds in the project. Leveraged funds counted in one program year do not qualify again as leverage in subsequent years. In order to receive points, there must be written documentation of the leveraged funds in the application.</p> <p><b>ENERGY CONSERVATION Up to 5 points:</b> THDA shall award up to 5 additional points to applications for rehabilitation that include an independent energy audit and, to the extent feasible, incorporate the recommendations of the audit report in the rehabilitation work write-up.</p>
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<p><b>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</b></p>	<p>NA</p>
<p><b>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</b></p>	<p>NA</p>
<p><b>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</b></p>	<p>NA</p>

<p><b>Describe how resources will be allocated among funding categories.</b></p>	<p>HOME funds committed to the State of Tennessee, through THDA, will be allocated as provided in the State of Tennessee's Consolidated Plan, as amended. THDA will spend up to ten percent (10%) of its HOME allocation for administrative and planning expenses. THDA will use four percent (4%) of these funds for its own administrative expenses. The remaining six percent (6%) is available to pay the administrative costs of local governments and non-profit grant recipients. THDA will also set-aside up to 5% of its HOME allocation for CHDO operating expenses. Any funding remaining in the set-aside for CHDO operating expenses after all eligible CHDOs have been funded will be transferred to the Urban/Rural allocation. The balance of THDA's FY 2015-2016 HOME allocation, not including the 10% for administration CHDO set-aside and the 5% for CHDO operating expenses, will be divided as follows:</p> <p><b>Urban/Rural Allocation.</b> Seventy percent (70%) of the 2015 and 2016 HOME funds will be allocated for eligible projects in Urban and Rural areas of the State. The urban areas include the following counties: Anderson, Blount, Bradley, Carter, Coffee, Dyer, Gibson, Hamilton, Hamblen, Haywood, Loudon, Madison, Maury, Montgomery, Putnam, Roane, Rutherford, Sumner, Unicoi, Williamson and Wilson. All other counties are considered Rural. The urban allocation is 44% of the remaining 70% of the funding, and the rural allocation is 56%. The percentages are based on the low-income population in the designated urban and rural counties. However, the urban areas do not include the low income populations of the local participating jurisdictions of Chattanooga, Clarksville, Jackson, Knox County, Memphis, Metropolitan Nashville-Davidson County, Shelby County, Sullivan County, and Washington County, excluding the Town of Jonesborough. There will be an urban and a rural matrix and the applicants will be scored, ranked and funded until all the funds are awarded. There is a \$750,000 maximum grant per county. Grants to successful applicants in the same county will be reduced proportionately should there be multiple successful applicants from the same county with a minimum grant of \$250,000, however, the THDA Board of Directors may award less than \$250,000 should there be more than three successful applicants from the same county.</p> <p>HOME awards will be in the form of a grant. Grantees will be required to repay any HOME funds expended on projects that are not completed and ready for occupancy within 3 years of the date the Written Agreement is executed between the Grantee and THDA. Grantees may also be required to repay HOME funds as described in the Working Agreement.</p>
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	<b>Describe threshold factors and grant size limits.</b>	An applicant must apply for at least \$100,000 and may apply for a maximum HOME grant of \$500,000. There is a \$750,000 limit on the amount of HOME funds that can be awarded in any one county.
	<b>What are the outcome measures expected as a result of the method of distribution?</b>	The outcome measure is that the activities under the HOME Program effectively address the housing needs of low-income households.
7	<b>State Program Name:</b>	HOPWA
	<b>Funding Sources:</b>	HOPWA

	<p><b>Describe the state program addressed by the Method of Distribution.</b></p>	<p>The State is divided into seven (7) HOPWA regions (East Tennessee, North East Tennessee, Upper Cumberland, Mid Cumberland, Mid Cumberland, South Central Tennessee, West Tennessee and South East Tennessee). For FY 2016-17, the HOPWA allocation will be distributed through a formula process based on the reported HIV and AIDS case data provided by CDC. And further adjusted base on the seven (7) State of TN HOPWA Regions listed below for FY 2016-2017:</p> <ul style="list-style-type: none"> <li>• East Tennessee - \$255,522</li> <li>• North East Tennessee - \$90,147</li> <li>• Upper Cumberland - \$45,234</li> <li>• Mid Cumberland - \$53,093</li> <li>• South Central Tennessee - \$69,455</li> <li>• West Tennessee - \$141,476</li> <li>• South East Tennessee - \$220,073</li> </ul>
	<p><b>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</b></p>	<p>Pursuant to HOPWA regulations, changes in eligibility jurisdictions for HOPWA may occur if a metropolitan area reaches a population of more than 500, 000 and has a least 1,500 cumulative AIDS cases. The State's method of distributing selects projects and proposals targeted at meeting local needs and taking steps to affirmatively further fair housing during implementation and supportive service gaps.</p>

<p><b>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</b></p>	<p>NA</p>
<p><b>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</b></p>	<p>NA</p>

<p><b>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</b></p>	<p>The method of selecting sponsors is through soliciting grant proposals to include grass roots faith-based and other community-based organizations. The purpose of this Request for Grant Proposal (RFGP) is to define the State's minimum requirements, solicit grant proposals and gain adequate information from which the State can evaluate the services potential project sponsors propose to provide. The RFGP process for HOPWA is based on a five-year cycle, which was last issued in 2012 and will end June 30th, 2016. The new RFGP is in process and project sponsors will be selected in May of 2016 and begin July 1, 2016. The contracts for these agencies are renewed annually for up to five years. However, the States reserves the right to terminate a contract should there be substandard performance by a project sponsor. In the event a contract is terminated the State will solicit new agency proposals. The Department of Health will contract with established not-for-profit agencies that continually show both the capability to plan for, as well as the ability to provide direct intervention and housing assistance to eligible clients and their families. Proposals are evaluated on criteria such as technical services, organization, experience, and budget to name a few. Funds were awarded to sponsors who submitted proposals that best met, or exceeded the required criteria and provided a detailed budget, which best met he needs of HOPWA clients.</p>
<p><b>Describe how resources will be allocated among funding categories.</b></p>	<p>To address urgent needs of People living with AIDS/HIV and to assist in meeting the State's goal, project sponsors may select from the following eligible HOPWA activities:</p> <ul style="list-style-type: none"> <li>•STRMU- Short term rent, mortgage and utility assistance</li> <li>•TBRA- Tenant based rental assistance</li> <li>•Supportive Services to include nutrition, transportation, housing information services, and non-medical case management</li> <li>•PHP- Permanente Housing Placement</li> </ul> <p>Project sponsor may also use funds for allocation of indirect cost of no more than 7% for grant administration.</p>

	<b>Describe threshold factors and grant size limits.</b>	Project sponsors may also use funds for allocation of indirect cost of no more than 7% for grant administration. Also, the Tennessee Department of Health will not exceeded the 3% administrative cap for the HOPWA program.
	<b>What are the outcome measures expected as a result of the method of distribution?</b>	The state envisions the use of STRMU services and permanent housing placement to enhance the availability and sustainability by way of prevention of homelessness. HOPWA is also exploring the opportunity to provide tenant-based rental assistance to prevent homelessness among this population. The 7 project sponsors across the State will implement supportive services of various types to prevent homelessness. Our goal include meeting more with Project sponsors by leading the development of resources needed to advance services adequately and timely to prevent homelessness. This will be accomplished through monthly conference calls and training and though bi-annual statewide meetings to discuss challenges, barriers, outcomes and new ideas to improving care. For additional information to HOPWA goals see AP-70 HOPWA Goals-90.320(k)(4) in the State's action plan.

## Discussion

## AP-35 Projects – (Optional)

### Introduction

#	Project Name

Table 10 – Project Information

**Describe the reasons for allocation priorities and any obstacles to addressing underserved needs**

**AP-38 Project Summary**  
**Project Summary Information**

**Table 11 – Project Summary**

**AP-40 Section 108 Loan Guarantee – 91.320(k)(1)(ii)**

**Will the state help non-entitlement units of general local government to apply for Section 108 loan funds?**

No

**Available Grant Amounts**

NA

**Acceptance process of applications**

NA

**AP-45 Community Revitalization Strategies – 91.320(k)(1)(ii)**

**Will the state allow units of general local government to carry out community revitalization strategies?**

No

**State's Process and Criteria for approving local government revitalization strategies**

NA

## **AP-50 Geographic Distribution – 91.320(f)**

### **Description of the geographic areas of the state (including areas of low-income and minority concentration) where assistance will be directed**

Funds are directed to the areas of the state with greatest need and/or areas that have had disproportionately fewer funds made available to them. HOME uses the Not Proportionally Served measure to advantage counties not receiving as many funds per capita than other counties. The HOME competition divides the resources between urban and rural counties so as to ensure a mixture of urban/city served by the state's HOME program.

All applicants for the TN CDBG program are considered and scored in the same way. All applicants (other than those considered under the slums and blight and urgent need national objectives) must serve at least 51% LMI households. There is not a specific geographic distribution planned.

### **Geographic Distribution**

<b>Target Area</b>	<b>Percentage of Funds</b>
Non-Entitlement Statewide Grant Allocation Priority	100

**Table 12 - Geographic Distribution**

### **Rationale for the priorities for allocating investments geographically**

CDBG: Currently, geographic location is not part of the method of distribution for CDBG. Projects are selected based solely on how they compare to the other similar projects and if the eligible applicants have open projects. This leads to variations in geographic distribution year to year.

HOME: Is competitive within certain categories. HOME funds are made available for competition as follows: 15 percent to the CHDO set-aside, 10 percent to the Supportive Housing Development set-aside, and 65 percent allocated for urban and rural areas of the state, based upon the percentage of low-income households in the designated urban and rural counties, excluding local HOME Participating Jurisdictions (PJs). The urban allocation is 44 percent of the funds allocated to urban and rural areas and the rural allocation is 56 percent of the funds allocated to urban and rural areas. Local PJs are those local governments in Tennessee that receive HOME funds directly from HUD and include: Bristol, Johnson City, Bluff City, Kingsport, Sullivan County, Washington County, Chattanooga, Clarksville, Jackson, Knoxville, Memphis, Nashville-Davidson, Knox County and Shelby County. Urban and rural designations are based on the percent of the county's population who live in areas designated as rural.

ESG: THDA will spend up to 7.5 percent of its ESG allocation for administrative and planning expenses. THDA will share the amount available for administration with the small city entitlement communities

that do not receive their own ESG allocation from HUD as well as other successful local government applications in the Competitive Round. Non-profit agencies are not eligible to receive funds for administration. For FY16 THDA plans to allocate 38 percent of the ESG funds on a formula basis to the 12 CDBG entitlement cities that do not receive ESG grants, but are expected to address homelessness through the “Continuum of Care” described in their Consolidated Plans. These cities are: Bristol, Clarksville, Cleveland, Franklin, Hendersonville, Jackson, Johnson City, Kingsport, Knoxville, Morristown, Murfreesboro and Oak Ridge. The remaining ESG funds after the Small Cities Set-Aside and administration are planned to be allocated to eligible applicants in a competitive grant application process.

HOPWA: Pursuant to HOPWA regulations, changes in eligible jurisdictions for HOPWA may occur if a metropolitan area reaches a population of more than 500,000 and has at least 1,500 cumulative AIDS cases. EMSAs annually receive HOPWA funds directly from HUD annually. At the inception of State HOPWA, it was determined that State HOPWA would serve non-EMSAs only. This decision remains in effect.

The State is divided into seven (7) HOPWA regions (East Tennessee, North East Tennessee, Upper Cumberland, Mid Cumberland, Mid Cumberland, South Central Tennessee, West Tennessee and South East Tennessee). The State intends to enter into a grant agreement with seven (7) aforementioned regions for the period of July 1, 2016-June 30, 2017 with the option to renew for up to four (4) additional years. The formula for regional distribution of funds will be determined by the ratio of HIV/AIDS cases reported in each region to the total number of cases reported statewide.

## **Discussion**

## Affordable Housing

### AP-55 Affordable Housing – 24 CFR 91.320(g)

#### Introduction

The state supports multiple housing goals with the Consolidated Plan programs. A summary of the one-year goals are presented below.

One Year Goals for the Number of Households to be Supported	
Homeless	0
Non-Homeless	0
Special-Needs	900
Total	900

**Table 13 - One Year Goals for Affordable Housing by Support Requirement**

One Year Goals for the Number of Households Supported Through	
Rental Assistance	1,560
The Production of New Units	39
Rehab of Existing Units	0
Acquisition of Existing Units	0
Total	1,599

**Table 14 - One Year Goals for Affordable Housing by Support Type**

#### Discussion

A number of other affordable housing activities taken on by the state are not reflected in the numbers above. Much of the ESG assistance provided is not a dedicated unit, as is required to be reported above, but instead is support for a homeless household. In all, we expect to assist directly or indirectly around 15,000 homeless households.

## **AP-60 Public Housing - 24 CFR 91.320(j)**

### **Introduction**

#### **Actions planned during the next year to address the needs to public housing**

THDA continues to engage in research on the Rental Assistance Demonstration (RAD) program. During this Consolidated Planning period we held meetings with Public Housing Agencies (PHAs) on the RAD waiting list and conducted a survey of PHAs related to RAD and prepared information and presentations to the THDA Low Income Housing Tax Credit (LIHTC) committee of the THDA Board of Directors. The 2016 Qualified Allocation Plan (QAP) for the LIHTC program includes a PHA set-aside with preference (points) for applicants with a RAD project. The 2015 QAP also included a PHA set-aside with preference (points) for applicants with a RAD project.

#### **Actions to encourage public housing residents to become more involved in management and participate in homeownership**

THDA manages a Family Self Sufficiency (FSS) program for its Housing Choice Voucher (HCV) Program participants, which includes financial counseling and pre-purchase homeownership counseling for participants. THDA also offers a homeownership voucher option to participants of the FSS program. THDA is not able to offer these services to families participating in other PHA public housing or HCV programs.

#### **If the PHA is designated as troubled, describe the manner in which financial assistance will be provided or other assistance**

NA

### **Discussion**

## **AP-65 Homeless and Other Special Needs Activities – 91.320(h)**

### **Introduction**

The objectives of the ESG program are:

1. To help improve the quality of emergency shelters for the homeless;
2. To help meet the costs of operating and maintaining emergency shelters;
3. To provide essential services so that homeless individuals have access to the assistance they need to improve their situation;
4. To provide street outreach services to the homeless; and
5. To provide emergency intervention assistance and rapid re-housing services to prevent homelessness and to obtain permanent housing.

**Describe the jurisdictions one-year goals and actions for reducing and ending homelessness including**

**Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs**

Eligible street outreach activities among ESG grantees include: Essential services to eligible participants provided on the street or in parks, abandoned buildings, bus stations, campgrounds, and in other such settings where unsheltered persons are staying. Staff salaries related to carrying out street outreach are also eligible.

***Eligible Program Participants:*** Unsheltered individuals and families who qualify as homeless under Category 1 of HUD's Definition of Homelessness

### ***Allowable Activities:***

- ***Engagement*** – Activities to locate, identify, and build relationships with unsheltered homeless persons for the purpose of providing immediate support, intervention, and connections with homeless assistance programs and/or social services and housing programs. Eligible costs include: initial assessment of need and eligibility; providing crisis counseling; addressing urgent physical needs; and actively connecting and providing information and referral. Eligible costs also include the cell phone costs of outreach workers during the performance of these activities
- ***Case Management*** – Assessing housing and service needs, and coordinating the delivery of individualized services. Eligible costs include: using a Continuum of Care centralized or coordinated assessment system; initial evaluation including verifying and documenting eligibility; counseling; helping to obtain Federal, State and local benefits; providing information

- and referral to other providers; and developing an individualized housing/service plan
- *Emergency Health Services* – Outpatient treatment of urgent medical conditions by licensed medical professionals; and providing medication and follow-up services
- *Emergency Mental Health Services* – Outpatient treatment of urgent mental health conditions by licensed professionals; medication costs and follow up services
- *Transportation* – Travel by outreach workers or other service providers during the provision of eligible outreach activities; costs of transportation of clients to emergency shelters or other service providers; and costs of public transportation for clients.
- *Services to Special Populations* – Essential Services that have been tailored to address the needs of **homeless youth, victims of domestic violence, and related crimes/threats, and/or people living with HIV/AIDS** who are literally homeless.

### **Addressing the emergency shelter and transitional housing needs of homeless persons**

Eligible emergency shelter activities among ESG grantees include: essential services and operational expenses.

**Eligible Participants:** Individuals and families who qualify as homeless under Categories 1 and 4 of HUD's Definition of Homelessness.

#### **Allowable Activities:**

*Essential Services* - This includes services concerned with employment, health, drug abuse, education and staff salaries necessary to provide these services and may include, but are not limited to: Assistance in obtaining permanent housing; Medical and psychological counseling and supervision; Employment counseling; Nutritional counseling; Substance abuse treatment and counseling; Assistance in obtaining other Federal, State and local assistance including mental health benefits; employment counseling; medical assistance; Veteran's benefits; and income support assistance such as Supplemental Security Income, Food Stamps and Aid to Families with Dependent Children; Other services such as child care, legal services, life skills training, transportation, job placement and job training; and Staff salaries necessary to provide the above services. Operating expenses - Payment of eligible operation costs related to the operation of emergency and transitional housing, including but not limited to, maintenance, operation, rent, repair, security, fuel, equipment, insurance, utilities, food and furnishings.

**Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals**

**and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again**

Eligible rapid-rehousing activities among ESG grantees include: Activities related to help a homeless individual or family to move into permanent housing.

**Eligible Participants:** Individuals and families who meet the definition of “homeless” who live in an emergency shelter or other place described in the definition provided by HUD.

**Allowable Activities for Prevention and Rapid Re-Housing:** *Financial Assistance* – Rental application fee (excludes pet deposit); moving costs; security deposit for rental or utility; payment of rental arrears up to six months; and short-term (up to 3 months) or medium-term (up to 9 months) rental and/or utility assistance.

Short and Medium Term Rental Assistance Requirements and Restrictions

- Compliance with FMR (Fair Market Rents) and Rent Reasonableness;
- For purposes of calculating rent, the rent must equal the sum of the total rent, any fees required for rental (excluding late fees and pet deposits), and, if the tenant pays separately for utilities (excluding telephone) the monthly allowance for utilities as established by the public housing authority for the area in which the housing is located
- Compliance with minimum habitability standards;
- Tenant based rental assistance means that participants select a housing unit in which to live and receive rental assistance. Project based rental assistance means that grantees identify permanent housing units that meet ESG requirements and enter into a rental assistance agreement with the owner to reserve the unit and subsidize it so that eligible program participants have access to the unit;
- A standard and legal lease must be in place;
- No rental assistance can be provided to a household receiving assistance from another public source for the same time period (with the exception of rental arrears); and
- Participants must meet with a case manager at least monthly for the duration of the assistance (participants who are victims of domestic violence are exempt if meeting would increase the risk of danger to client).
- The Grantee must develop an individualized plan to help the program participant remain in permanent housing after the ESG assistance ends.
- *Housing Relocation and Stabilization Services* – Housing search and placement; assessment of housing barriers and needs; landlord mediation; legal services resolving landlord/tenant matters; assistance with submitting rental applications and leases; assessment of housing for habitability, lead-based paint and rent reasonableness; case management; HMIS data collection and submission; credit repair counseling; budget classes; and monitoring and re-evaluating program participants.

**Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); or, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs**

Eligible prevention activities among ESG grantees include: Activities related to preventing persons from becoming homeless and to assist participants in regaining stability in their current or other permanent housing.

**Eligible Participants:** Extremely low-income individuals and families with household incomes of at or below 30% of Area Median Income who qualify as homeless under Categories 2, 3 and 4 of HUD's Definition of Homelessness or any category of HUD's Definition of "At Risk of Homelessness".

**Allowable Activities for Prevention and Rapid Re-Housing:** *Financial Assistance* – Rental application fee (excludes pet deposit); moving costs; security deposit for rental or utility; payment of rental arrears up to six months; and short-term (up to 3 months) or medium-term (up to 9 months) rental and/or utility assistance.

#### Short and Medium Term Rental Assistance Requirements and Restrictions

- Compliance with FMR (Fair Market Rents) and Rent Reasonableness;
- For purposes of calculating rent, the rent must equal the sum of the total rent, any fees required for rental (excluding late fees and pet deposits), and, if the tenant pays separately for utilities (excluding telephone) the monthly allowance for utilities as established by the public housing authority for the area in which the housing is located;
- Compliance with minimum habitability standards;
- Tenant based rental assistance means that participants select a housing unit in which to live and receive rental assistance. Project based rental assistance means that grantees identify permanent housing units that meet ESG requirements and enter into a rental assistance agreement with the owner to reserve the unit and subsidize it so that eligible program participants have access to the unit;
- A standard and legal lease must be in place;
- No rental assistance can be provided to a household receiving assistance from another public source for the same time period (with the exception of rental arrears); and
- Participants must meet with a case manager at least monthly for the duration of the assistance (participants who are victims of domestic violence are exempt if meeting would increase the risk of danger to client).

- The Grantee must develop an individualized plan to help the program participant remain in permanent housing after the ESG assistance ends.
- *Housing Relocation and Stabilization Services* – Housing search and placement; assessment of housing barriers and needs; landlord mediation; legal services resolving landlord/tenant matters; assistance with submitting rental applications and leases; assessment of housing for habitability, lead-based paint and rent reasonableness; case management; HMIS data collection and submission; credit repair counseling; budget classes; and monitoring and re-evaluating program participants.

Some populations with specialized needs have also been prioritized to ensure they are helped with their housing needs. The Tennessee Department of Mental Health and Substance Abuse Services (TDMHSAS) will use their ESG funds for homeless assistance and prevention activities through its established network of housing agencies providing services to clients being discharged from medical and mental health facilities.

## **Discussion**

Outside of the ESG funding priorities, THDA has a strategic priority to address the housing needs of youth transitioning out of foster care and ex-offenders. To support the development of affordable housing for these populations, THDA has provided competitive grants and additional points to PHAs and other non-profit housing providers through our Housing Trust Fund to construct units for youth transitioning out of foster care and ex-offenders.

**AP-70 HOPWA Goals – 91.320(k)(4)**

<b>One year goals for the number of households to be provided housing through the use of HOPWA for:</b>	
Short-term rent, mortgage, and utility assistance to prevent homelessness of the individual or family	400
Tenant-based rental assistance	2
Units provided in permanent housing facilities developed, leased, or operated with HOPWA funds	0
Units provided in transitional short-term housing facilities developed, leased, or operated with HOPWA funds	0
Total	402

## **AP-75 Barriers to affordable housing – 91.320(i)**

### **Introduction**

The Tennessee Consolidated Planning Partners are committed to affirmatively furthering fair housing. We continue to take steps to remove barriers to affordable housing that were identified in Tennessee's Analysis of Impediments to Fair Housing Choice.

### **Actions it planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment**

TNECD supports statewide and local fair housing trainings and other educational events that address the various barriers to fair housing. TNECD supports to implementation of fair housing ordinances and policies for local governments. Additionally, TNECD is working with THDA and the TN Fair Housing Council to develop a fair housing guide directed specifically to local government officials and employees.

For FY16-17 THDA will complete the following actions in support of our annual action plan for affirmatively further fair housing. Sponsor, support, participate and attend the following three statewide fair housing conferences across the state:

- Provide THDA fair housing education to all THDA employees through: Customized program training for program staff; fair housing overview training for other THDA staff; establish fair housing training as a component in annual refresher training.
- Enhance sub-recipient, owner and managers training by adding fair housing, renters' rights and Title VI training to each THDA sponsored workshop during. This is expected to begin in July 2016.
- Develop a page to be added to TNHousingSearch.org that identifies fair housing issues and renters' rights responsibilities along with contact information for questions on discrimination. There are also plans to revamp of the Resources page which will include fair housing information.
- In April 2016, THDA sponsored, supported and attended the Fair Housing and Disabilities training conducted by West Tennessee Legal Services. THDA plans to do the same in the fiscal year of this Action Plan and expand these trainings later this year and into 2017.
- Sponsor, support and attend the workshops on Fair Housing Lending conducted by West Tennessee Legal Services in September 2016.
- Sponsor, support and attend the Knoxville Livability Summit to educate persons with disabilities on fair housing issues and help them find accessible housing opportunities.
- Work with the TN Human Rights Commission and TN-ECD to develop best practices fair housing

training materials for sub-recipients, grantees and program participants at THDA and TN-ECD.

- THDA presented fair housing training for PHA at TAHRA's Spring Workshop in 2016 and plans to expand on that training for future TAHRA workshops.
- THDA was a panelist at the NCSHA Housing Credit Connect on the Compliance with Fair Housing and Accessibility Session in June 2015. We continue to provide our fair housing insights and best practices through our membership to NCSHA.
- THDA sponsored AFFH training for developers of affordable housing by Mark Shelbourne at the Governor's Housing Conference in October 2015. THDA is considering this same sort of training at future Governor's Housing Conferences.
- Develop the AFFH Guidebook for local governments and municipalities with TN-ECD and the TN Fair Housing Council. THDA has reached out to MTAS for assistance in adding a fair housing component to their training for new local government officials.
- Develop and implement a streamlined reasonable accommodation process to assist persons with disabilities request and receive reasonable accommodations to the Housing Choice Voucher program.

## **Discussion**

In addition to the actions we plan to affirmatively further fair housing, we plan to continue participation in the discussion around the taxation of the Low Income Housing Tax Credits in affordable housing developments. As was mentioned in the Consolidated Plan, efforts to study the effect of this taxation on existing and future properties was completed by Tennessee Advisory Council on Intergovernmental Relations. THDA has worked with the General Assembly and other stakeholders to educate the public on the impact to affordability housing that a statewide implementation of this tax may have.

## **AP-85 Other Actions – 91.320(j)**

### **Introduction**

#### **Actions planned to address obstacles to meeting underserved needs**

Tennessee is committed to tackling the needs identified in the Consolidated Plan. Needs that include affordable housing, community development and infrastructure, and housing and services for the homeless and those with special needs. Each program uses the information on need to inform their program actions. Funds are directed to the areas of the state with greatest need and/or areas that have had disproportionately fewer funds made available to them. HOME uses the Not Proportionally Served measure to advantage counties not receiving as many funds per capita than other counties. CBDG uses the Ability to Pay measure that determines the level of local financial contribution that is required, allowing impoverished communities receiving grants to receive more funds. This ability-to-pay determination includes per capita income, the value of taxable property, and the value of taxable sales.

#### **Actions planned to foster and maintain affordable housing**

The State of Tennessee will continue to invest HOME and CBDG funds to promote the production, preservation, and rehabilitation of affordable housing for individuals and families of low- and very low-income. The state will also invest in community infrastructure to support communities that are home to low income households. ESG and HOPWA also provide affordable housing both permanent and short term to special needs populations to support their affordable housing needs. The state also maintains relationships with local organizations which provide alternative housing services to fill the gaps between government-funded programs. This has been an important part to both fostering and maintaining affordable housing throughout the state.

Additional efforts are being made, both through regulatory and development avenues, to find new ways of providing quality, affordable housing. Energy efficiency improvements to the existing housing stock, emergency repair programs, and low-income housing tax credits are just some of the housing considerations being made to foster more housing that is affordable and in close proximity to resources and services. Further, THDA launched the Tennessee Housing Trust Fund which targets assistance to persons of very low income, those earning 50% or less of the area median income. Within the Housing Trust Fund, competitive grants support the chronically homeless, persons with mental retardation or mental illness, citizens with developmental disabilities, single mothers recovering from substance addiction or physical abuse, veterans with multiple needs and ex-offenders re-entering society. In 2006, the Housing Trust Fund was established with \$12 million of THDA funds, over a two-year period. Currently, the Housing Trust Fund is \$7.5 million per year. This allows for complimentary housing activities in addition to those funding with CBDG and HOME funds, providing or maintaining critical

affordable housing throughout Tennessee.

THDA developed the Low-Income Housing Tax Credit Program Qualified Contract Guide to assist buyers that are willing to purchase and maintain properties that are eligible to opt-out of the LIHTC program. THDA is developing a network of qualified purchasers and will market qualified LIHTC properties on their website to find the best sales contracts which will maintain the affordable housing inventory in Tennessee.

### **Actions planned to reduce lead-based paint hazards**

The State of Tennessee addresses hazards of lead based paint in the state through the following programs/initiatives. In May 1999, by state legislation, the Tennessee Department of Environment and Conservation (TDEC) was given the necessary authority to have lead-based paint training in the state. The legislation also gave TDEC the authority to monitor lead abatement in the state to assure that contractors and owners of units comply with applicable laws. The division of solid waste management of TDEC received authorization from the Environmental Protection Agency (EPA) on January 17, 2001, to administer the program in the state. The state has established guidelines for training of lead-abatement contractors and their workers in the state.

Lead-based paint policies are also in effect for the CDBG and HOME programs in the state. Specifically, grantees must give participants notice of possible lead hazards within the unit when the house is pre-1978, informing them of possible lead dangers. For families with children under age seven, grantees must inspect units that might have lead contamination and provide the necessary abatement or encapsulation activities. Families must be given a federally approved pamphlet on lead poisoning prevention.

Housing assisted with ESG funds is subject to the Lead-Based Paint Poisoning Prevention Act and the Act's implementing regulations at 24 CFR Part 35, Subparts C through M for any building constructed prior to 1978. Grantees using ESG funds only for essential services and operating expenses must comply with Subpart K to eliminate as far as practical lead-based paint hazards in a residential property that receives federal assistance for acquisition, leasing, support services or operation activities. Grantees using ESG funds for renovation, major rehabilitation or conversion must comply with Subpart J to eliminate as far as practical lead-based paint hazards that receives federal assistance for rehabilitation. The Lead-Based Paint Regulations are available at [www.hud.gov/lea](http://www.hud.gov/lea).

The Tennessee Department of Health, Childhood Lead Poisoning Prevention Program, provides lead poisoning information such as lead sources and prevention tips for parents and health care professional. The Prevention Programs requires TennCare, the state health system for uninsured persons, to test children enrolled in the program. All children, regardless of payer source, with elevated blood lead levels receive case management services. Children with a blood lead level that repeats elevated or is > 20 µg/dl may receive an environmental investigation per the physician's request. The department links with the Tennessee Department of Environment and Conservation's information on lead assessment

and abatement programs.

### **Actions planned to reduce the number of poverty-level families**

In all the work done by the Consolidated Partners to address housing and community development needs, low, very low and extremely low households are being served. Through the services provided through the four programs addressed in this plan and the other resources brought to bear on housing and community development needs across the state, the economic well-being of families is being addressed through safe, sound affordable housing and communities.

CDBG – For several years, the CDBG program did not separate extremely low-, very low-, and low-income beneficiary data to show participants below 30 percent of the AMI. ECD is now collecting data on program participants below 30 percent of the AMI. Also, as a part of its scoring mechanism for housing rehabilitation, project need points are awarded based on the number of persons with higher poverty levels in the state, specifically persons 62 years of age or above, and/or female heads-of-household, and/or disabled individuals.

HOME – The HOME Program serves very low- and low-income households. Very low-income households are defined as those households whose annual income is 50 percent or less of the AMI for the county in which the household resides. Low-income households are defined as those households whose annual income is between 50 percent and 80 percent of the AMI for the county in which the household resides. Additionally, the THDA Board of Directors has expressed intent that very low-income persons be served. In 2015, 66 percent of HOME beneficiaries were very low-income households.

Additionally, the state coordinates resources so that services to households at or below 80% AMI are effectively administered. Continued coordination efforts include plans to further address the housing needs of youth transitioning from foster care and to support the housing needs for non-traditional students pursuing post-secondary education degrees.

### **Actions planned to develop institutional structure**

Please see below.

### **Actions planned to enhance coordination between public and private housing and social service agencies**

To address this as well as the development of the institutional structure, it is important to recognize the grantees in the Consolidated Planning programs as well as the partnerships each of the state

Consolidated Planning partners foster above and beyond these four programs. By using CHDOs, local and regional governments, and social service agencies, the State has invested in the existing structure to implement our programs while requiring and monitoring a level of quality that improves the housing affordability and quality of the units impacted by these funds.

Additionally, THDA remains a strong supporter of the state and regional Affordable Housing Coalitions. We remain committed to providing staffing support to the Coalitions as they continue their transition to full independence from THDA. The Coalition is made up of 251 members. Of these 100 are non-profits, 48 are municipal entities (including PHA's), 35 represent financial institutions (including CDFI's), 11 are state or Federal government officials, and 57 are other (including developers, realtors, consultants, property managers, etc.).

THDA has a Lender/Realtor Advisory Board that assists us in ensuring that our programs are responsive to the needs of our consumers and our partners.

Our grantees are local governments, regional Development Districts and not-for-profits. Each of these partnerships adds strength to the overall institutional structure as well as the strong public-private partnerships that exist through out the state.

Additionally, THDA promotes participation and the active involvement of HCV residents in all aspects of the Housing Choice Voucher program mission and operation. HCV participants are invited to serve on a Resident Advisory Board to represent their interests. THDA's Resident Advisory Board is composed of active HCV participants who provide supportive assistance to HCV personnel. The Resident Advisory Board consist of a maximum of fifteen (15) members. If more than fifteen (15) persons volunteer for the Board, THDA utilizes a random selection process to ensure proportionate representation from the East, West and Middle divisions of the state. In addition, as required by the federal regulations, the THDA Board of Directors includes one eligible resident board member who is eligible to vote on Housing Choice Voucher program issues. The goal of the Resident Advisory Board is to positively impact the overall quality and delivery of HCV services and improve the overall quality of life for HCV participants.

## **Discussion**

## Program Specific Requirements

### AP-90 Program Specific Requirements – 91.320(k)(1,2,3)

#### Introduction

#### Community Development Block Grant Program (CDBG)

##### Reference 24 CFR 91.320(k)(1)

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed	2,713,882
2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan.	0
3. The amount of surplus funds from urban renewal settlements	0
4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan	0
5. The amount of income from float-funded activities	0
<b>Total Program Income:</b>	<b>2,713,882</b>

#### Other CDBG Requirements

1. The amount of urgent need activities	1,000,000
2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income. Overall Benefit - A consecutive period of one, two or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income. Specify the years covered that include this Annual Action Plan.	95.00%

**HOME Investment Partnership Program (HOME)**  
**Reference 24 CFR 91.320(k)(2)**

1. A description of other forms of investment being used beyond those identified in Section 92.205 is as follows:

NA

2. A description of the guidelines that will be used for resale or recapture of HOME funds when used for homebuyer activities as required in 92.254, is as follows:

CHDOs must use HOME funds to develop units for homeownership, including new construction or acquisition and substantial rehabilitation of substandard single-family dwellings. HOME funds *are to be used as the primary method of financing* (without interest cost) *for the development of affordable single-family units*. The CHDO must be the owner-developer of the project. At the time of permanent financing the HOME funds are repaid to the CHDO as CHDO proceeds and are used to develop additional single-family units for homeownership. A CHDO must allow up to \$14,999 of HOME funds to remain with the unit as a soft second mortgage as necessary to qualify the household for permanent financing, but not less than \$1,000. THDA requires that a subsidy remain in the financing when the unit is sold so affordability is based on the less restrictive recapture provision of the HOME regulations. Any homeownership unit developed by a CHDO that cannot be sold to an eligible homeowner within nine months of project completion must be converted to rental housing and rented to an income eligible tenant.

*Cities, counties and non-profit organizations (non-CHDO)* – Homeownership programs are restricted to a soft second mortgage necessary to qualify the household for permanent financing.

*Soft second mortgages* – Any HOME funds used for a soft second mortgage in homeownership programs are limited to the lesser of \$14,999 in HOME funds or the amount of HOME funds necessary to qualify the household for permanent financing, but not less than \$1,000. All grant recipients using HOME for soft second mortgages must use the THDA single-family underwriting template to determine the amount of HOME assistance, and must submit the determination to THDA for review and final approval. If the underwriting template indicates that the homebuyer does not have an unmet need for the soft second mortgage, the grant recipient may not provide direct HOME assistance to that homebuyer. The amount of the soft second mortgage is the “direct HOME subsidy” provided to the homebuyer and subject to recapture.

The soft second mortgage will have an affordability period of five years which is forgiven at the end of the fifth year if the unit remains in compliance, i.e., the unit remains the permanent residence of the initial buyer and is not leased or vacated. If the unit is sold or transferred during the affordability period, the amount of the HOME subsidy subject to recapture will be reduced by twenty percent (20%) per year of occupancy by the initial homebuyer. If the unit is leased or

vacated during the affordability period, the entire HOME subsidy must be repaid.

3. A description of the guidelines for resale or recapture that ensures the affordability of units acquired with HOME funds? See 24 CFR 92.254(a)(4) are as follows:

*Down Payment Programs by Local Communities or Non-CHDO Non-Profit Orgs:* A grant recipient who is a local community or a non-CHDO non-profit organization may provide down payment and closing cost assistance as a soft second mortgage in an amount equal to the lesser of \$14,999 in HOME funds or the amount of HOME funds necessary to qualify a household for permanent financing, but not less than \$1,000. There will be an affordability period of 5 years, secured by a Note and Deed of Trust between the grant recipient and the homebuyer. The HOME loan is forgiven at the end of the fifth year if the unit remains in compliance with HOME requirements. This means that the property remains the primary residence of the initial buyer and is not leased or vacated. If the property is sold or transferred at the end of the affordability period, the homebuyer has complied with these recapture provisions. If the unit is sold or transferred during the affordability period, the amount of the HOME subsidy subject to recapture will be reduced by 20% per year of occupancy by the initial homebuyer. If the unit is leased or vacated during the affordability period, the entire HOME subsidy must be repaid. *CHDOS:* At the time of the sale of the unit to an eligible homebuyer, the CHDO must leave up to \$14,999 of HOME funds in the unit as a soft second mortgage in an amount equal to the lesser of \$14,999 in HOME funds or the amount of HOME funds necessary to qualify a household for permanent financing, but not less than \$1,000. There will be an affordability period of five years, secured by a Note and Deed of Trust between the CHDO and the homebuyer. The HOME loan is forgiven at the end of the 5th year if the unit remains in compliance with HOME requirements. This means that the property remains the primary residence of the initial homebuyer and is not leased or vacated. If the property is sold or transferred at the end of the affordability period, the homebuyer has complied with these recapture provisions. If the unit is sold or transferred during the affordability period, the amount of the HOME subsidy subject to recapture will be reduced by 20% per year of occupancy by the initial homebuyer. If the unit is leased or vacated during the affordability period, the entire HOME subsidy must be repaid. *Sale/Transfer of the Property:* The HOME-assisted homebuyer may sell or otherwise transfer the unit on or before the end of the affordability period to any willing buyer at any price, and the amount of the HOME subsidy subject to recapture will be reduced by 20 percent per year of occupancy by the initial buyer. The amount subject to recapture is limited by the availability of net proceeds. The net proceeds are the sales price minus superior non-HOME loan repayments minus closing costs. If the net proceeds are not sufficient to recapture the remaining outstanding principal balance of the HOME Note plus the amount of the down payment made by the homeowner, if any, plus the amount of any capital improvement investment made by the homeowner, then the Grantee shall recapture a pro rata share of the net proceeds of the sale in lieu of the full remaining outstanding principal balance of the HOME Note. "Capital improvement investment" investment means the improvements to the property made at the homeowner's expense (and not through some other form of subsidy), as evidenced by receipts or cancelled checks detailing the capital improvements

made. Capital improvements do not include items of maintenance, deferred maintenance or cosmetic improvements. The pro rata amount to be recaptured shall be calculated in accordance with the HOME Program Regulations at 24 CFR 92.254(a)(5)(ii)(A)(3).

4. Plans for using HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds along with a description of the refinancing guidelines required that will be used under 24 CFR 92.206(b), are as follows:

NA

**Emergency Solutions Grant (ESG)**  
**Reference 24 CFR 91.320(k)(3)**

1. Include written standards for providing ESG assistance (may include as attachment)

The written standards for providing ESG assistance, *The Emergency Solutions Grant Program Policies and Procedures* are attached and can also be found at the THDA website <https://s3.amazonaws.com/thda.org/Documents/Business-Partners/Grant-Administrators/ESG-Program/ESG-Policies-and-Procedures.pdf>

2. If the Continuum of Care has established centralized or coordinated assessment system that meets HUD requirements, describe that centralized or coordinated assessment system.

Tennessee has seven Continuums of Care under the ESG funding umbrella. Each CoC is attempting to address the coordinated assessment system in a way that meets the needs of the individual region. For instance, the Cities of Murfreesboro and Chattanooga, have centralized physical locations for those needing assistance. While effective for a city, the model does not work for the other CoC regions that cover eight to 23 counties. In Upper East Tennessee, led by Appalachian Regional Homeless Coalition (ARCH), there are three physical intake locations in Bristol, Kingsport and Johnson City at the Salvation Army offices. West Tennessee, led by TN Homeless Solutions, has created a hotline to assess over the phone and refer potential clients to the closest agency for services. The remaining CoCs (Homeless Advocacy for Rural TN, TN Valley Coalition to End Homelessness and Buffalo Valley) have opted for a centralized system of intake for their Continuum agencies. Using the 'No Wrong Door' philosophy each agency within a Continuum uses the same intake process/paperwork within that region.

3. Identify the process for making sub-awards and describe how the ESG allocation available to

private nonprofit organizations (including community and faith-based organizations).

The method of distribution across the geographic areas both with set asides and competition for funds is described in the AP-30 Method of Distribution section.

The State of Tennessee, through THDA, will accept applications for the ESG program from non-profit organizations. Non-profit applicants must submit **PART V: Non-Profit Checklist** with supporting documentation, and **PART VI: Non-Profit Board Composition**.

To be eligible to apply for ESG funding the non-profit organization must:

- Be organized and existing as a non-profit agency under Tennessee law, as evidenced by a Certificate of Existence from the Tennessee Secretary of State dated within six months of the application due date;
- Have no part of its net earnings inuring to the benefit of any member, founder, contributor or individual;
- Be established for charitable purposes and whose activities include, but are not limited to, the promotion of social welfare and the prevention or elimination of homelessness, as evidenced in its charter, articles of incorporation, resolutions or by-laws, and experience in the provision of shelter and services to the homeless;
- Have standards of financial accountability that conform to 24 CFR 84.21, Standards of Financial Management Systems; and
- Have an IRS designation under Section 501(c)(3) or Section 501(c)(4) of the federal tax code. A 501(c)(3) non-profit applicant may not submit an application until they have received their designation from the IRS. A 501(c)(4) non-profit applicant must provide documentation satisfactory to THDA, in its sole discretion, that the non-profit has filed the necessary materials with the IRS and received a response from the IRS demonstrating 501(c)(4) status.
- Faith-based organizations receiving ESG funds, like all organizations receiving HUD funds, must serve all eligible beneficiaries without regard to religion.
- Submit certification of participation in local Continuum of Care activities and HMIS reporting.

Non-profit organizations are eligible to receive funds only if such funding is approved by the local government jurisdiction where programs are based. Each application from a nonprofit should contain **PART VII: Certification of Local Government Approval** specific to housing and service locations that it controls within each jurisdiction. This Attachment must be submitted to THDA at the time of application. If the organization intends to provide homeless assistance in a number of jurisdictions, the certification of approval must be submitted by each of the units of local government in which the projects are to be located. *Housing agencies funded by TDMHSAS are not eligible to apply for ESG funds through the Competitive Allocation.*

4. If the jurisdiction is unable to meet the homeless participation requirement in 24 CFR

576.405(a), the jurisdiction must specify its plan for reaching out to and consulting with homeless or formerly homeless individuals in considering policies and funding decisions regarding facilities and services funded under ESG.

It is a requirement for all ESG subrecipients to formulate homelessness participation in their program. It is required information on the application. All grantees either have a homeless or formerly homeless individual on staff or on the board, or they have incorporated a process to involve the homeless to participate in policy-making decisions.

#### 5. Describe performance standards for evaluating ESG.

The Tennessee ESG Policies and Procedures Manual instructs grantees to adopt performance standards consistent with HUD and THDA program requirements.

**Performance Standards/Measures:** THDA must ensure that programs and activities funded through the ESG program meet certain Performance Standards as set by the local Continuum of Care, THDA, and HUD. The following is an example of the types of Standards that THDA and its sub-recipients will be required to meet in order to demonstrate success of the ESG program:

- Reducing the average length of time a person is homeless
- Reducing returns to homelessness
- Improving program coverage
- Reducing the number of homeless individuals and families
- Reducing the number of chronically homeless individuals and families
- Improving employment rate and income amounts of program participants
- Reducing first time homelessness
- Preventing homelessness and achieving independent living in permanent housing for families and youth defined as homeless under other Federal programs

Although THDA understands many sub-recipients have chosen to provide one-time emergency rent or utility assistance to prevent homelessness, sub-recipients receiving ESG funds should use all available resources that will ensure the ongoing housing stability of program participants.

## Discussion

Please note that each year, TNECD typically funds 2-3 urgent need activities during a program year. This is dependent on circumstances and can change from year-to-year.

## Attachments

## **Citizen Participation Comments**

**APPENDIX C:**  
**FAIR HOUSING PLAN**

STATE OF TENNESSEE  
FY 2016-17 ANNUAL ACTION PLAN

Private Sector Impediments

Impediments, Suggested Actions and Objectives	Action(s)	Measurement(s)	Responsible Agencies	Timeline	Cost
<p><b>1. Discriminatory terms, conditions, privileges or services and facilities in the rental market</b></p> <p><i>Action 1.1 – Continue to educate landlords and property management companies about fair housing law.</i> <i>Objective 1.1 – Increase number of outreach and education activities conducted.</i></p> <p><i>Action 1.2 – Continue to educate housing consumers in fair housing rights.</i> <i>Objective 1.2 – Increase number of outreach and education activities conducted.</i></p> <p><i>Action 1.3 – Enhance audit and testing activities and document the outcomes of tests</i> <i>Objective 1.3 – Increase number of testing activities conducted</i></p> <p>Priority: High</p>	1.1a – Support the Fair Housing Council in providing fair housing training for developers, property managers and the apartment association.	1.1a – Fair housing training for non-profit and for profit developers and apartment managers completed. Sponsorship for training in FY2016 includes Fair Housing for Persons with Disabilities.	THDA	On going	\$500
	1.1b – Continue to educate THDA staff who work with rental programs and landlords (Section 8 HCV staff) on an annual basis. The Tennessee Fair Housing Council will conduct in-house training at THDA, which lasts approximately four hours and focuses on fair housing in the rental market.	1.1b – THDA staff continues training in fair housing issues in the rental market. Developing a contract with Tennessee Fair Housing Council to provide program division training in FY 2016. This contract will include fair housing at THDA sponsored training for sub-recipients, developers and property management companies.	THDA	On-going	\$2,300
	1.1c – Continue to educate staff on Fair Housing through attendance at Fair Housing Matters Conference, West Tennessee Fair Housing Celebration and the ECHO Spring Fair Housing Workshop. Provide support and sponsorship to both events and encourage attendance among sub-recipients and partners.	1.1c – Attendance at fair housing events continues, number of staff trained increases. Sponsorship of fair housing meetings continues. Marketing fair housing conferences on Facebook, Twitter and via bulk email mailing lists to enhance attendance among sub-recipients and partners. Increasing attendance at regional (West Tennessee Fair Housing Celebration and ECHO Spring Fair Housing Workshop) meetings with increased THDA staff attendances.	THDA, ECD	Annually in April	THDA: \$3,365 ECD: \$1,700
	1.1d – Explore using TN Housing Search to provide an educational piece to approximately 3,700 landlords. TN Housing Search is a searchable database for rental housing with listings in all 95 counties. The education piece, delivered via email, could provide On-going education on fair housing including: detailed information regarding discrimination in the rental market.	1.1d – THDA works with Social Serve (website vendor) to disseminate fair housing information to landlords during April 2016. This information will be sent via bulk email mailing list to LHC participants and grantees and sub-recipients.	THDA	FY 2016-17	\$500

	examples of prohibited or unlawful conduct and examples of activities that AFFH.				
	1.1e Increase training of elected officials and landlords in CDBG grantee communities of fair housing responsibilities.	1.1e – Host training sessions in at least two development districts for CDBG grantees.	ECD	On-going	\$500
	1.2a – Continue to give “Fair Housing Equal Opportunity for All” brochure to program beneficiaries and monitor sub-recipients to ensure compliance.	1.2a – Brochure is given to program beneficiaries, ensured through monitoring.	THDA, DOH, ECD	On-going	THDA: \$316 ECD: \$250
	1.2b – Make improvements to fair housing webpage, make AI available for review, add fair housing brochures and educational pieces provided by HUD.	1.2b – Brochure added, improvements made to website, link is more prominent on THDA’s website.	THDA, DOH, ECD	On-going	THDA: \$253 ECD: \$200 DOH: \$125
	1.3a – The State will communicate reasonable accommodation testing as a priority to partners engaged in testing which include: the Fair Housing Council, West Tennessee Legal Services, and the Tennessee Human Rights Commission.	1.3a – Priority is communicated to testing organizations, testing increases.	THDA, ECD, DOH	On-going	THDA: \$25
	1.3a – Continue to monitor sub-recipients for compliance with Fair Housing and Equal Opportunity, utilizing Fair Housing and Equal Opportunity checklists.	1.3a – Sub-recipients are monitored for Fair Housing and Equal Opportunity, using checklists.	THDA, ECD, DOH	On-going	THDA: \$316 ECD: \$250 DOH: \$125
<b>2. Discriminatory acts under Section 818 (coercion, etc.)</b>  <i>Action 2.1 – Continue to educate landlords and property management companies about fair housing law</i> <i>Objective 2.1 – Increase number of outreach and education activities</i>  <i>Action 2.2 – Continue to educate housing consumers in fair housing rights</i>	2.1a – Support the Fair Housing Council in providing fair housing training for developers, property managers and the apartment association members..	2.1a – Fair housing training for non-profit and for profit developers and apartment managers completed. Sponsorship for training in FY2016 includes Fair Housing for Persons with Disabilities.	THDA	On-going	\$500
	2.1b – Continue to educate THDA staff who work with rental programs and landlords (Section 8 HCV sLaIT) on an annual basis. The Tennessee Fair Housing Council will conduct in-house training at THDA, which lasts approximately four hours and focuses on fair housing in the rental market.	2.1b – THDA staff continues training in fair housing issues in the rental market. Developing a contract with Tennessee Fair Housing Council to provide program division training in FY 2016. This contract will include fair housing at THDA sponsored training for sub-recipients, developers and property management companies.	THDA	On-going	\$2,300

<p><b>Objective 2.2 – Increase the number of outreach and education activities conducted</b></p> <p><b>Action 2.3 – Enhance audit and testing activities and document the outcomes of tests</b></p> <p><b>Objective 2.3 – Increase number of testing activities conducted</b></p> <p><i>Priority: Low</i></p>	<p>2.1c – Continue to educate staff on Fair Housing through attendance at Fair Housing Matters Conference and West Tennessee Fair Housing Celebration. Provide support and sponsorship to both events and encourage attendance among sub-recipients and partners.</p>	<p>2.1c – Attendance at fair housing events continues, number of staff trained increases. Sponsorship of fair housing meetings continues. Marketing fair housing conferences on Facebook, Twitter and via bulk email mailing lists to enhance attendance among sub-recipients and partners. Increasing attendance at regional (West Tennessee Fair Housing Celebration and ECHO Spring Fair Housing Workshop) meetings with increased THDA staff attendances.</p>	THDA, ECD	Annually in April	THDA: \$3,365 ECD: \$1,700
	<p>2.1d – Explore using TN Housing Search to provide an educational piece to approximately 3,700 landlords. TN Housing Search is a searchable database for rental housing with listings in all 95 counties. The education piece, delivered via email, could provide On-going education on fair housing including: detailed information regarding discrimination in the rental market, examples of prohibited or unlawful conduct and examples of activities that AFFH.</p>	<p>2.1d – THDA works with Social Serve (website vendor) to disseminate fair housing information to landlords during April 2016. This information will be sent via bulk email mailing list to LIHC participants and grantees and sub-recipients.</p>	THDA	FY 2016-17	\$500
	<p>2.2a – Continue to give “Fair Housing Equal Opportunity for All” brochure to program beneficiaries and monitor sub-recipients to ensure compliance.</p>	<p>2.2a – Brochure is given to program beneficiaries, ensured through monitoring.</p>	THDA, ECD, DOH	On-going	THDA: \$316 ECD: \$250 DOH: \$125
	<p>2.2b – Make improvements to fair housing webpage, make AI available for review, add fair housing brochures and educational pieces provided by HUD.</p>	<p>2.2a – Brochure added, improvements made to website, link is more prominent on THDA website.</p>	THDA, ECD, DOH	On-going	THDA: \$253 ECD: \$200
	<p>2.3a – The State will communicate reasonable accommodation testing as a priority to partners engaged in testing which include: the Fair Housing Council, West Tennessee Legal Services, and the Tennessee Human Rights Commission.</p>	<p>3.1a – Priority is communicated to testing organizations, testing increases.</p>	THDA, ECD, DOH	On-going	THDA: \$25
	<p>2.3a – Continue to monitor sub-recipients for compliance with Fair Housing and Equal</p>	<p>2.3a – Sub-recipients are monitored for Fair Housing and Equal Opportunity, using checklists.</p>	THDA, ECD, DOH	On-going	THDA: \$316 ECD: \$250 DOH: \$125

	Opportunity, utilizing Fair Housing and Equal Opportunity checklists.				
<b>3. Failure to make reasonable accommodation and modification</b>  <i>Action 3.1 – Enhance audit and testing activities and document the outcomes of tests</i> <i>Objective 3.1 – Increase number of testing activities conducted</i>  <i>Action 3.2 – Educate housing providers about requirements for reasonable accommodation or modification</i> <i>Objective 3.2 – Increase number of training sessions conducted</i>  Priority: Medium	3.1a – The State will communicate reasonable accommodation testing as a priority to partners engaged in testing which include: the Fair Housing Council, West Tennessee Legal Services, and the Tennessee Human Rights Commission.	3.1a – Priority is communicated to testing organizations, testing increases.	THDA, ECD, DOH	On going	THDA: \$25
	3.1a – Continue to monitor sub-recipients for compliance with Fair Housing and Equal Opportunity, utilizing Fair Housing and Equal Opportunity checklists.	3.1a – Sub-recipients are monitored for Fair Housing and Equal Opportunity, using checklists.	THDA, ECD, DOH	On-going	THDA: \$316 ECD: \$250 DOH: \$125
	3.2a – Continue to educate staff on Fair Housing through attendance at Fair Housing Matters Conference, West Tennessee Fair Housing Celebration and the ECHO Spring Fair Housing Workshop. Provide support and sponsorship to both events and encourage attendance among sub-recipients and partners.	3.2a – Attendance at fair housing events continues, number of staff trained increases. Sponsorship of fair housing meetings continues. Marketing fair housing conferences on Facebook, Twitter and via bulk email mailing lists to enhance attendance among sub-recipients and partners. Increasing attendance at regional (West Tennessee Fair Housing Celebration and ECHO Spring Fair Housing Workshop) meetings with increased THDA staff attendances.	THDA, ECD	Annually in April	THDA: \$3,365 ECD: \$1,700
	3.2b – Support the Fair Housing Council in providing fair housing training for developers, property managers and the apartment association.	3.2b – Fair housing training for non-profit and for profit developers and apartment managers completed. Sponsorship for training in FY2016 includes Fair Housing for Persons with Disabilities.	THDA	FY 2014-15	\$300
	3.2c – Explore using TN Housing Search to provide an educational piece to approximately 3,700 landlords. TN Housing Search is a searchable database for rental housing with listings in all 95 counties. The education piece, delivered via email, could provide On-going education on fair housing including: detailed information regarding discrimination in the rental market.	3.2c – THDA develops educational piece and works with Social Serve (website vendor) to disseminate the information to landlords during April 2016.	THDA	FY 2016-17	\$500

	examples of prohibited or unlawful conduct and examples of activities that AFFH.				
	3.7d – Continue to educate THDA program staff that work with housing providers and landlords on an annual basis. The Tennessee Fair Housing Council will conduct in-house training at THDA, which will contain components addressing reasonable modification.	3.7d – Number of THDA staff trained on reasonable accommodation increases. Developing a contract with Tennessee Fair Housing Council to provide program division training in FY 2016. This contract will include annual fair housing training for all THDA employees as part of the Foundations for the Future program at THDA.	THDA	On-going	\$3,500
	3.2e – Increase training of elected officials and landlords in CDBG grantee communities of fair housing responsibilities.	3.2e – Host training sessions in at least two development districts for CDBG grantees.	ECD	FY 2014-15	\$500
<b>4. Discriminatory patterns in home purchase loan denials</b>  <i>Action 4.1 – Educate buyers through credit counseling and home purchase training</i> <i>Objective 4.1 – Increase number of outreach and education activities conducted</i>  <i>Action 4.2 – Educate lenders and make developers aware of the counseling and training</i> <i>Objective 4.2 – Increase number of outreach and education activities conducted</i>  <i>Priority: Low</i>	4.1a – Continue homebuyer education courses (with fair housing components in the curriculum) for THDA loan programs (required for Great Choice Plus; Homeownership for the Brave and HOME). Continue to support the Homebuyer Education Initiative (HBEI) across the state for homebuyers not utilizing a THDA loan product.	4.1a – Homebuyer education classes are conducted, program continued and marketed serving THDA borrowers and non-THDA borrowers (depending on demand).	THDA	On-going	TBD
	4.1b – Continue to support and train HBEI agencies through provision of NeighborWorks America course curriculum materials and training.	4.1b – Deliver NeighborWorks American materials to HBEI agencies annually in March.	THDA	On-going	TBD
	4.1c – Continue "Training the Trainer" to certify new Homebuyer Education Trainers throughout the state and continuing education sessions (Peer Sessions) for certified Homebuyer Education Trainers.	4.1c – "Training the Trainer" and Peer Sessions conducted annually in July.	THDA	On-going	TBD
	4.1d – Continue marketing and outreach on Homebuyer Education Initiative on THDA website. Explore new ways to market homebuyer education and credit counseling.	4.1d – Website updated, new outreach activities identified including development of an on-line Homebuyer Education portal.	THDA	On-going	TBD
	4.1e – Explore analyzing counseling agency data that is collected to provide agencies feedback to improve program performance.	4.1e – Decision to analyze data is made, analysis completed and reported to agencies. Formal reporting will be made in FY 2016.	THDA	FY 2016-17	\$536

	4.1f – Continue to find new and improved ways to educate buyers and improve financial literacy through the operation of the Housing Education Advisory Board.	4.1f – Quarterly meetings of the advisory boards continue.	THDA	On-going	\$253
	4.2 – Invite lenders and developers to the Governor's Housing Summit, which includes fair housing training and education.	4.2 – Include annual fair housing training and invite lenders and developers to the Governor's Housing Summit.	THDA	On-going	\$1,000
5. Discriminatory patterns in predatory lending  Action 5.1 – Educate buyers through credit counseling and home purchase training Objective 5.1 – Increase number of outreach and education activities conducted  Action 5.2 – Educate lenders and developers' counseling and training Objective 5.2 – Increase number of outreach and education activities conducted  Priority: Low	5.1a – Continue homebuyer education courses (with fair housing components in the curriculum) for THDA loan programs (required for Great Choice Plus; Homeownership for the Brave and HOME). Continue to support the Homebuyer Education Initiative (HBEI) across the state for homebuyers not utilizing a THDA loan product.  5.1b – Continue to support and train HBEI agencies through provision of NeighborWorks America course curriculum materials and training.  5.1c – Continue "Training the Trainer" to certify new Homebuyer Education Trainers throughout the state and continuing education sessions (Peer Sessions) for certified Homebuyer Education Trainers  5.1d – Continue marketing and outreach on Homebuyer Education Initiative on THDA website. Explore new ways to market homebuyer education and credit counseling.  5.1e – Explore analyzing counseling agency data that is collected to provide agencies feedback to improve program performance.  5.2 – Invite lenders and developers to the Governor's Housing Summit, which includes fair housing training and education.	5.1a – Homebuyer education classes are conducted, program continued and marketed serving THDA borrowers and non-THDA borrowers (depending on demand).  5.1b – Deliver NeighborWorks American materials to HBEI agencies, annually in March.  5.1c – "Training the Trainer" and Peer Sessions conducted annually in July.  5.1d – Website updated, new outreach activities identified including development of a new on-line Homebuyer Education portal.  5.1e – Decision to analyze data is made, analysis completed and reported to agencies. Formal reporting will be made in FY-2016.  5.2 – Include annual fair housing training and invite lenders and developers to the Governor's Housing Summit.	THDA  THDA  THDA  THDA  THDA	On-going  On-going  On-going  On-going  On-going	TBD  TBD  TBD  TBD  \$536  \$1,000
6. Lack of sufficient education about fair housing law	6.1 – Discuss with the Tennessee Human Rights Commission opportunities to develop an outreach and education curriculum on fair housing with other	6.1 – Discuss this opportunity with Tennessee Human Rights Commission.	THDA	Ongoing	No cost

<p><b>Action 6.1</b> – Have the THRC develop a core outreach and education curriculum, with the assistance of other organizations that provide fair housing services, in Tennessee</p> <p><b>Objective 6.1</b> – Track the consistency in fair housing messaging throughout the State of Tennessee.</p> <p><b>Action 6.2</b> – Educate the public and housing stakeholders about fair housing law and rights of housing consumers</p> <p><b>Objective 6.2</b> – Increase number of outreach and education activities conducted</p> <p><b>Action 6.3</b> – Enhance documentation of fair housing activities conducted throughout the State</p> <p><b>Objective 6.3</b> – Request that the THRC provide such documentation for all activities conducted under the auspices of the core curriculum</p> <p><b>Priority: High</b></p>	organizations in the state that provide fair housing services.				
	6.2a – Contract with the Tennessee Fair Housing Council or other fair housing education provider to conduct fair housing training at grantee workshops, with an emphasis on duty to affirmatively further fair housing, raising citizen awareness of fair housing law, discrimination in rental, ramifications of failure to make reasonable accommodation, codes, zoning and other priority areas.	6.2a – Training will be completed at grantee workshops.	THDA, ECD	On-going	THDA: No cost ECD: \$1,000
	6.2b – Research existing tools and resources for sub-recipients to assist in providing fair housing training on the local level for citizens (videos, websites, public meetings) with the intent of utilizing in public outreach.	6.2b – Research conducted, tools identified and decision made to proceed or modify use of tools. As outreach opportunities occur, information is shared.	THDA, ECD	On-going	THDA: \$506 ECD: \$500
	6.2c – Implement training for elected officials as part of grant requirements for FY 2014-15 CDBG grantees.	6.2c – Training for elected officials through the development district or ECD/THDA materials for an elected official in each CDBG community.	THDA, ECD	FY 2014-15	THDA: \$253 ECD: \$1,500
	6.2d – Make improvements to fair housing webpage, improve resources available to consumers, make AI available for review, add fair housing brochures and educational pieces provided by HUD.	6.2d – Brochure added, improvements made to website, link is more prominent on THDA website.	THDA, ECD, DOH	On-going	THDA: \$253 ECD: \$200
	6.2e – Explore working with THDA Advisory Boards (Housing Industry, Housing Education, and Energy Efficiency and Weatherization) to seek input and identify ways to increase educational opportunities for housing stakeholders and the public on fair housing issues in the private sector.	6.2e – Attend Advisory Board meetings, describe need for educational opportunities and seek input.	THDA	On-going	\$253
	6.2f – Explore opportunities for THDA's Connect Team to educate housing stakeholders of their duty to AFFH, fair housing law and rights of housing consumers.	6.2f – Discuss opportunities and ideas with Outreach Team and conduct annual meeting to revisit efforts.	THDA	On-going	\$1,012
	6.2g – Continue training for HOPWA Program Sponsors at annual network meeting and monitor for compliance during monitoring interviews.	6.2g – Training and monitoring continues.	DOH	On-going	\$1,698

	6.3 – Discuss with Tennessee Human Rights Commission opportunities to enhance the documentation of fair housing activities.	6.3 – Contact THRC to discuss documentation opportunities.	THDA	Ongoing	No cost
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Public Sector Impediments

Impediment/Suggested Action/Objective	Action(s)	Measurement(s)	Responsible Agencies	Timeline	Cost
<b>1. Lack of local fair housing ordinances or policies</b>  <i>Action 1.1 – Create template fair housing ordinance, resolution, policy or other commitment to AFFH</i> <i>Objective 1.1 – Present policy to all prospective grantees</i>  <i>Action 1.2 – Educate local government staff about fair housing regulations and the statewide commitment to AFFH</i> <i>Objective 1.2 – Increase number of education activities</i>  <i>Action 1.3 – Increase monitoring and enforcement policies that affirmatively further fair housing choice</i> <i>Objective 1.3 – Increase number of monitoring and enforcement activities</i>  <i>Priority: High</i>	1.1a – Explore opportunities to work with fair housing partners and local/county government associations, including West Tennessee Legal Services and the Fair Housing Council, to develop sample ordinances, resolutions and policies to provide to local governments and sub-recipients.	1.1a – Partnership established and templates completed.	ECD, THDA	FY 2013-14	THDA: \$1,012 ECD: \$800
	1.1b – Explore partnerships with the University of Tennessee's Municipal Technical Advisory Service (MTAS) and County Technical Assistance Service (CTAS), the Tennessee Advisory Commission on Intergovernmental Relations and Tennessee's Development Districts to determine best way to reach local governments and present templates.	1.1b – Establish partnership and determine best method for information delivery. Assess training programs being implemented by Development Districts for local elected officials and how program successes can be expanded upon.	ECD, THDA	FY 2014-15	THDA: \$1,012 ECD: \$1,000
	1.1c – After development of templates and assessment of current training programs, present to grantees and local governments within jurisdiction.	1.1c – Deliver materials to grantees, as well as local governments within the state's jurisdictions.	ECD, THDA	FY 2016-17	THDA: \$506 ECD: \$400
	1.1d – Explore making the existence of fair housing ordinances, resolutions or policies a threshold requirement or a point incentive for the HOME Program grant competition and a bonus item for CDBG applications.	1.1d – New requirement explored and decision to move forward is made. The CDBG program will discuss the potential change at the CDBG public meeting held in the fall of 2014 for a change to the FY 2015-16 round of applications.	THDA, ECD	FY 2016-17	THDA: \$253 ECD: \$200
	1.2a – Continue to educate local government staff and sub-recipients by contracting with the Tennessee Fair Housing Council or other fair housing education providers to conduct fair housing training at grantee workshops, with an emphasis on duty to affirmatively further fair housing, raising citizen awareness of fair housing law, discrimination in rental, the ramifications of a failure to make reasonable accommodation, codes, zoning	1.2a – Grantees trained in fair housing at grantee workshops, ECD notices regarding fair housing increased, and attendance at fair housing events increases.	THDA, ECD	On-going	THDA: No cost ECD: \$4,000

	and other priority areas. Continue to publish ECD notices and promote participation at fair housing events and trainings.				
	1.2b – Explore providing state-wide fair housing trainings or forums with local government officials, housing stakeholders and citizens, that focus on fair housing law, affirmatively furthering fair housing, impediments to fair housing in Tennessee and local actions to overcome impediments.	1.2b – Meet with West Tennessee Legal Services and Tennessee Fair Housing Council to conduct portions of training for local government officials, make decision to proceed with state-wide fair housing trainings or forums. Encourage attendance by grantees at Fair Housing Matters Conference and West TN Fair Housing Conference.	ECD, THDA, DOH	On-going	ECD: \$400
	1.2c – Present AI findings and fair housing activities at Governor's Housing Summit, which is attended by housing stakeholders, citizens and local government officials.	1.2c – Findings are presented at Governor's Housing Summit.	ECD, THDA	Completed	THDA: \$1,000 ECD: No cost
	1.3a – Continue to monitor grant programs for compliance with fair housing and equal opportunity, utilizing fair housing and equal opportunity checklists.	1.3a – Programs are monitored for activity and compliance consistent with information required in checklists.	THDA, ECD, DOH	On-going	THDA: \$316 ECD: \$250 DOH: \$125
2. Insufficient establishment and enforcement of building codes regarding special needs housing  Action 2.1 – Create examples of building code policies that sufficiently provide for special needs housing such as group homes and accessible housing Objective 2.1 – Present examples to all prospective grantees  Action 2.2 – Educate local government staff about fair	2.1a – Explore opportunities to work with fair housing partners, including West Tennessee Legal Services and the Fair Housing Council, and local/county government associations, to develop examples of building codes that sufficiently provide for special needs housing to provide to local governments and sub recipients.	2.1a – Partnership established and examples of codes completed.	ECD, THDA	FY 2014-15	THDA: \$1,012 ECD: \$800
	2.1b – Explore partnerships with The University of Tennessee's Municipal Technical Advisory Service (MTAS) and County Technical Assistance Service (CTAS), the Tennessee Advisory Commission on Intergovernmental Relations and Tennessee's Development Districts to determine best way to reach local governments and present examples of codes.	2.1b – Establish partnership and determine best method for information delivery.	ECD, THDA	FY 2014-15	THDA: \$1,012 ECD: \$800

<p>housing regulations and the statewide commitment to AFFH</p> <p><i>Objective 2.2 – Increase number of education activities conducted</i></p> <p><i>Action 2.3 – Increase monitoring and enforcement of building codes of jurisdictions across the state</i></p> <p><i>Objective 2.3 – Increase number of monitoring and enforcement activities</i></p> <p><i>Priority: Medium</i></p>	2.1c – After development of building code examples, present to grantees and local governments within the jurisdiction.	2.1c – Deliver materials to grantees, as well as local governments within the state's jurisdictions.	ECD, THDA	FY 2014-15	THDA: \$506 ECD: \$400
	2.2a – Continue to educate local government staff and sub-recipients by contracting with the Tennessee Fair Housing Council or other fair housing education providers to conduct fair housing training at grantee workshops, with an emphasis on duty to affirmatively further fair housing, raising citizen awareness of fair housing law, discrimination in rental, failure to make reasonable accommodation, codes, zoning and other priority areas. Continue to publish ECD notices and promote participation at fair housing events and trainings.	2.2a – Grantees trained in fair housing at grantee workshops, ECD notices regarding fair housing increased, and attendance at fair housing events increases.	THDA, ECD	On-going	THDA: No cost ECD: \$4,000
	2.2b – Explore providing state-wide fair housing trainings or forums with local government officials, housing stakeholders and citizens, that focus on fair housing law, affirmatively furthering fair housing, impediments to fair housing in Tennessee and local actions to overcome impediments.	2.2b – Meet with West Tennessee Legal Services and Tennessee Fair Housing Council to conduct portions of training for local government officials, make decision to proceed with state-wide fair housing trainings or forums. Encourage attendance by grantees at Fair Housing Matters Conference and West TN Fair Housing Conference.	ECD, THDA	On going	ECD: \$400
	2.2c – Present AI findings at Governor's Housing Summit, which is attended by housing stakeholders, citizens and local government officials.	2.2c – Findings are presented.	ECD, THDA	Completed	THDA: \$1,000 ECD: No cost
	2.2d – Encourage and promote THDA's accessibility and visitability program, which is a voluntary certification program created by the TN Council on Developmental Disabilities that encourages builders (single family and multi-family) to voluntarily implement design features that make homes accessible, visitable and convenient for everyone.	2.2d – Knowledge of visitability increases through education, builders voluntarily implement features.	THDA	On-going	THDA: \$24,678
	2.3a – Continue to monitor grant programs for compliance with fair housing and equal	2.3a – Programs are monitored for activity and compliance consistent with information required in checklists.	THDA, ECD, DOH	On-going	THDA: \$316 ECD:

	opportunity, utilizing fair housing and equal opportunity checklists.				\$250 DOH: \$125
<b>3. Lack of local government understanding of duties of AFFH</b>  <i>Action 3.1 – Educate local government staff about fair housing law and federal formula grant funding requirements to affirmatively further fair housing</i> <i>Objective 3.1 – Increase number of educational activities conducted</i>  <i>Priority: High</i>	3.1a – Continue to educate local government staff and sub-recipients by contracting with the Tennessee Fair Housing Council or other fair housing education providers to conduct fair housing training at grantee workshops, with an emphasis on duty to affirmatively further fair housing, raising citizen awareness of fair housing law, discrimination in rental, ramifications of a failure to make reasonable accommodation, codes, zoning and other priority areas. Continue to publish ECD notices and promote participation at fair housing events and trainings.	3.1a – Grantees trained in fair housing at grantee workshops, ECD notices regarding fair housing increased, and attendance at fair housing events increases.	ECD, THDA	On-going	THDA: No cost ECD: \$4,000
	3.1b – Explore providing state-wide fair housing trainings or forums with local government officials, housing stakeholders and citizens, that focus on fair housing law, affirmatively furthering fair housing, impediments to fair housing in Tennessee and local actions to overcome impediments.	3.1b – Meet with West Tennessee Legal Services and Tennessee Fair Housing Council to conduct portions of training for local government officials, make decision to proceed with state-wide fair housing trainings or forums. Encourage attendance by grantees at Fair Housing Matters Conference and West TN Housing Conference.	ECD, THDA, DOH	On going	ECD: \$400
	3.1c – Present AI findings at Governor's Housing Summit, which is attended by housing stakeholders, citizens and local government officials.	3.1c – Findings are presented.	ECD, THDA	Completed October 2013	THDA: \$1,000 ECD: No cost
	3.1d – Explore partnership with the University of Tennessee's Municipal Technical Advisory Service (MTAS) and County Technical Assistance Service (CTAS), the Tennessee Advisory Commission on Intergovernmental Relations and Tennessee's Development Districts to determine best way to reach local governments and present fair housing training.	3.1d – Partnerships established and plan for training developed.	ECD, THDA	FY 2014-15	THDA: \$1,012 ECD: \$800
	3.1e – Develop a list of recommended Fair Housing activities for CDBG and HOME sub-	3.1e – List of activities distributed to sub-recipients and changes made to	ECD, THDA	FY 2016-17	THDA: \$536

	recipients that encourages increased understanding of role in AFFH for local government and other stakeholders in the community. Continue compliance monitoring and increase reporting on fair housing activities, including amount spent on the activities in local communities.	monitoring checklist that ensure data is captured.			FCD: \$800
	3.1f – Encourage training of local elected officials as a CDBG Fair Housing Activity.	3.1f – Training conducted by at least two development districts for local elected officials who are CDBG grantees. Provide training materials for the workshops.	ECD	FY 2016-17	\$1,000
<b>4. Lack of uniformity of codes and land use policies</b>  <i>Action 4.1 – Create examples of codes and land use policies that are in the spirit of AFFH</i> <i>Objective 4.1 – Present examples to all prospective grantees</i>  <i>Action 4.7 – Educate local government staff about fair housing regulations and the statewide commitment to AFFH</i> <i>Objective 4.2 – Increase number of education activities conducted</i>  <i>Action 4.3 – Increase monitoring and enforcement of policies that affirmatively further fair housing choice</i> <i>Objective 4.3 – Increase number of monitoring and enforcement activities conducted</i>  <i>Priority: Medium</i>	4.1a – Explore opportunities to work with fair housing partners, including West Tennessee Legal Services and the Tennessee Fair Housing Council, and local/county government associations to develop examples of codes and land use policies to provide to local governments and sub-recipients.	4.1a – Partnership established and examples of codes and land use policies created.	ECD, THDA	On-going	THDA: \$1,012 ECD: \$800
	4.1b – Explore partnership with the University of Tennessee's Municipal Technical Advisory Service (MTAS) and County Technical Assistance Service (CTAS), the Tennessee Advisory Commission on Intergovernmental Relations and Tennessee's Development Districts to determine best way to reach local governments and present examples of codes and land use policies.	4.1b – Establish partnership and determine best method for information delivery.	ECD, THDA	FY 2014-15	THDA: \$1,012 ECD: \$800
	4.1c – After development of templates, present to grantees and local governments within jurisdiction.	4.1c – Deliver materials to grantees, as well as local governments within the state's jurisdictions.	ECD, THDA	FY 2016-17	THDA: \$536 ECD: \$400
	4.2a – Continue to educate local government staff and sub-recipients by contracting with the Tennessee Fair Housing Council or other fair housing education providers to conduct fair housing training at grantee workshops, with an emphasis on duty to affirmatively further fair housing, raising citizen awareness of fair housing law, discrimination in rental,	4.2a – Grantees trained in fair housing at grantee workshops, ECD notices regarding fair housing increased, and attendance at fair housing events increases.	ECD, THDA	On-going	THDA: No cost ECD: \$4,000

	ramifications of a failure to make reasonable accommodation, codes, zoning and other priority areas. Continue to publish ECD notices and promote participation at fair housing events and trainings.				
	4.2b – Explore providing state-wide fair housing trainings or forums with local government officials, housing stakeholders and citizens, that focus on fair housing law, affirmatively furthering fair housing, impediments to fair housing in Tennessee and local actions to overcome impediments.	4.2b – Meet with West Tennessee Legal Services and Tennessee Fair Housing Council to conduct portions of training for local government officials, make decision to proceed with state-wide fair housing trainings or forums. Encourage attendance by grantees at Fair Housing Matters Conference and West TN Fair Housing Conference.	ECD, THDA	On going	ECD: \$400
	4.2c - Present AI findings at Governor's Housing Summit, which is attended by housing stakeholders, citizens and local government officials.	4.2c – Findings are presented.	ECD, THDA	Completed October 2013	THDA: \$1,000 ECD: No cost
	4.3a – Continue to monitor grant programs for compliance with fair housing and equal opportunity, utilizing fair housing and equal opportunity checklists.	4.3a – Programs are monitored for activity and compliance consistent with information required in checklists.	ECD, THDA	On-going	THDA: \$316 ECD: \$250 DOH: \$125

**APPENDIX D:**  
**HOME PROGRAM DESCRIPTION**

STATE OF TENNESSEE  
FY 2016-17 ANNUAL ACTION PLAN



**HOUSING GRANT APPLICATION**  
**HOME PROGRAM FOR FISCAL YEARS 2015 and 2016**  
**Program Description and Application Package**  
**Tennessee Housing Development Agency**

The Tennessee Housing Development Agency (THDA) administers the federally funded HOME program to promote the production, preservation and rehabilitation of single family housing for low-income households. The purpose of this Program Description is to explain the requirements and the application process of the HOME program.

HOME funds are awarded through a competitive application process to cities, counties and non-profit organizations outside local participating jurisdictions. Local participating jurisdictions (Local PJs) are those local governments in Tennessee that receive HOME funds directly from the Department of Housing and Urban Development (HUD). The Local PJs are Clarksville, Chattanooga, Jackson, Knoxville, Memphis, Nashville-Davidson County, Knox County, Shelby County and the Northeast Tennessee/Virginia Consortium (the cities of Bristol, Kingsport, Johnson City, Bluff City, Sullivan County, and Washington County, excluding the Town of Jonesborough). Non-profit organizations located in a local participating jurisdiction may apply for projects located outside the local participating jurisdictions. *For the 2015-2016 application cycle, Community Housing Development Organizations (CHDOs) located in a local participating jurisdiction may apply for projects located within the local participating jurisdictions.* An applicant must apply for at least \$100,000 and may apply for a maximum HOME grant of \$500,000. There is a \$750,000 limit on the amount of HOME funds that can be awarded in any one county.

Applications for the HOME program must be received by THDA on or before 4:30 PM CST on Friday, March 4, 2016. THDA anticipates notifying successful applicants by the end of May, 2016. HOME contracts will begin July 1, 2016 and will end June 30, 2019.

The program description is followed by the application package. The program description and application is also available at [www.thda.org](http://www.thda.org). Once at the THDA website, click on BUSINESS PARTNERS and then Grant Administrators for the links to the HOME program. Click on HOME for the link to the 2015-2016 HOME Program Description, Application and the application attachments. If you have questions please call (615) 815-2030.

**The HOME Program**

This program is governed by Title 24 Code of Federal Regulations, Part 92, as amended. Those regulations are incorporated by reference in this Program Description. In cases of conflicting requirements, the more stringent requirement will apply.

**A. ELIGIBLE APPLICANTS**

The State of Tennessee, through THDA, will accept applications for the HOME program from cities, counties, and private, non-profit organizations. Non-profit applicants must submit Part I of **Attachment One: Non-Profit/CHDO Checklist** with supporting documentation.

To be eligible the non-profit organization must:

1. Be organized under Tennessee law, as evidenced by a Certificate of Existence from the Tennessee Secretary of State dated within six months of the application due date;
2. Have no part of its net earnings inuring to the benefit of any member, founder, contributor or individual;
3. Have among its purposes the provision of decent housing that is affordable to low-income and moderate-income persons, as evidenced in its charter, articles of incorporation, resolutions or by-laws, and experience in the provision of housing to low income households;
4. Have standards of financial accountability that conform to 2 CFR Part 200, *Uniform Administrative Requirements, Audit Requirements and Cost Principles*; and
5. Have an IRS designation under Section 501(c)(3) or Section 501(c)(4) of the federal tax code. A 501(c)(3) non-profit applicant may not submit an application until they have received their designation from the IRS. A 501(c)(4) non-profit applicant must provide documentation satisfactory to THDA, in its sole discretion, that the non-profit has filed the necessary materials with the IRS and received a response from the IRS demonstrating 501(c)(4) status.

THDA will also accept HOME applications from community housing development organizations (CHDOs). A CHDO is a private, non-profit organization that meets all the requirements for a non-profit listed above, plus the following additional requirements:

1. Not be controlled by, or under the direction of, individuals or entities seeking to derive profit or gain from the CHDO. If a CHDO is sponsored or created by a for-profit entity, all of the following shall apply:
  - a. The for-profit entity may not be an entity whose primary purpose is the development or management of housing, such as a builder, developer or real estate management firm;
  - b. The for-profit entity may not have the right to appoint more than one-third of the membership of the CHDO's governing body. CHDO board members appointed by the for-profit entity may not appoint the remaining two-thirds of the board members;
  - c. The CHDO must be free to contract for goods and services from vendors of its own choosing;
  - d. The officers, directors, owners (stockholders, managers, members, etc.) or employees of the for-profit entity cannot be officers, directors, owners (stockholders, managers, members, etc.) or employees of the CHDO.
2. Is not a governmental entity (including the participating jurisdiction, other jurisdiction, Indian tribe, public housing authority, Indian housing authority, housing finance agency, or redevelopment authority) and is not controlled by a governmental entity. An organization that is created by a governmental entity may qualify as a CHDO; however, the governmental entity may not have the right to appoint more than one-third of the membership of the organization's governing body and no more than one-third of the board members may be public officials or employees of recipient governmental entity. Board members appointed by the State or local government may not appoint the remaining two-thirds of the board members. The officers or employees of a governmental entity may not be officers or employees of a CHDO.

3. Maintains accountability to low income community residents by:
  - a. Including residents of low-income neighborhoods, other low-income community residents, or elected representatives of low-income neighborhood organizations in at least one-third of the CHDO's governing board's membership. For urban areas, "community" may be a neighborhood or neighborhoods, city, county or metropolitan area; for rural areas, it may be a neighborhood or neighborhoods, town, village, county, or multi-county area (but not the entire State); and
  - b. Providing a formal process for low-income program beneficiaries to advise the CHDO in its decisions regarding the design, site selection, development, and management of affordable housing.
4. Has a demonstrated capacity for carrying out housing projects assisted with HOME funds. A CHDO undertaking development activities as a developer or sponsor must satisfy this requirement by having paid employees with housing development experience who will work on projects assisted with HOME funds. For its first year of funding as a CHDO, a CHDO may satisfy this requirement through a contract with a consultant who has housing development experience to train appropriate key CHDO staff. A CHDO that will own housing must demonstrate capacity to act as owner of a project and meet the requirements of 24 CFR 92.300(a)(2). A CHDO does not meet the test of demonstrated capacity based on any person who is a volunteer or whose services are donated or cost allocated by another organization, or by hiring a consultant.
5. Has a history of serving the community within which the housing to be assisted with HOME funds is to be located. In general, a CHDO must be able to show at least one year of serving the community through housing activities benefiting low income persons or families before HOME funds may be awarded to that CHDO. However, a newly created CHDO formed by local churches, service organizations, or neighborhood organizations may meet this requirement by demonstrating that its parent organization has at least one year of serving the community through housing activities benefiting low income persons or families.

CHDOs may only apply for HOME funding for projects in which the CHDO is the owner and developer. CHDO applicants must submit **Part I and Part II of Attachment One: Non-Profit Checklist/CHDO Designation** with supporting documentation and signed by the applicant's counsel.

All applicants with prior HOME grants from TIIDA must meet both of the following requirements:

1. *Requested* (submitted an official Request for Payment Form with supporting documentation) the following percentages of their grants by February 29, 2016 to be eligible for the 2015-2016 HOME program:

HOME GRANT YEAR	SPEND DOWN REQUIREMENT
1992 – 2011	100%
2012 CHDOs	100%
2012 – 2013 Regular Rounds	75%
2013 CHDOs	50%
2014 Regular and CHDOs	25%

These spending requirements also apply to applications from CHDOs. In addition, CHDOs that were funded for homeownership programs that generate CHDO proceeds will have to demonstrate a need for additional HOME funds and documentation that neighborhood market conditions demonstrate a need for the project to be eligible for the 2015-2016 HOME program.

To be eligible, all applicants for the 2015-2016 HOME application cycle must be in compliance with all other THDA programs in which they participate.

## **B. ALLOCATION OF FUNDS**

HOME funds committed to the State of Tennessee, through THDA, will be allocated as provided in the State of Tennessee's Consolidated Plan, as amended. THDA will spend up to ten percent (10%) of its HOME allocation for administrative and planning expenses. THDA will use four percent (4%) of these funds for its own administrative expenses. The remaining six percent (6%) is available to pay the administrative costs of local governments and non-profit grant recipients. THDA will also set-aside up to 5% of its HOME allocation for CHDO operating expenses. Any funding remaining in the set-aside for CHDO operating expenses after all eligible CHDOs have been funded will be transferred to the Urban/Rural allocation. The balance of THDA's FY 2015-2016 HOME allocation, not including the 10% for administration CHDO set-aside and the 5% for CHDO operating expenses, will be divided as follows:

The 2015 HOME allocation is \$8,984,790. The amount of the 2016 HOME allocation is unknown until there is an approved federal budget. THDA will first award the 2015 HOME funding and, if there is a 2016 allocation, continue down the matrices to award the 2016 HOME funding. If the 2016 HOME allocation is \$1 million or less, all of the 2016 HOME funding would be allocated to the CHDO set-aside, less CHDO operating expenses and administration.

**CHDO Set-aside.** Fifteen percent (15%) of the total 2015 HOME allocation and 2016 HOME allocation will be reserved for eligible applications from CHDOs, including CHDOs located in Local PJs. The THDA HOME funding to successful CHDO applicants in the Local PJs will be reduced by the amount of funding the CHDO receives from the Local PJs to keep within the \$500,000 maximum grant.

Beginning with the 2015 HOME allocation, HUD will no longer consider a PJ as meeting its 24-month CHDO commitment through a cumulative total of CHDO commitments since 1992, and each grant year must meet its own 24-month commitment deadline. This means that a successful CHDO that receives an allocation of 2015 CHDO funds, must commit those funds to specific units no later than July 31, 2017 and a successful CHDO that receives an allocation of 2016 CHDO funds, must commit those funds to specific units no later than July 31, 2018. In addition, the execution of a HOME Working Agreement and the establishment of a CHDO sub-grant in IDIS is insufficient to meet this requirement. **HUD will recapture any 2015 CHDO funds not committed to specific CHDO activities by July 31, 2017 and will recapture any 2016 CHDO funds not committed to specific CHDO activities by July 31, 2018.** CHDO applicants need to be aware of these dates and have a pipeline of eligible home buyers so they can begin their projects as soon as the environmental reviews are completed.

If in the opinion of THDA, the applications submitted do not contain viable proposals or are from a CHDO that lacks the organizational potential to comply with all HOME affordability requirements, THDA may choose not to award all of the FY 2015 or 2016 CHDO funds in the current application round.

**Urban/Rural Allocation.** Seventy percent (70%) of the 2015 and 2016 HOME funds will be allocated for eligible projects in Urban and Rural areas of the State. The urban areas include the following counties: Anderson, Blount, Bradley, Carter, Coffee, Dyer, Gibson, Hamilton, Hamblen, Haywood, Loudon, Madison, Maury, Montgomery, Putnam, Roane, Rutherford, Sumner, Unicoi, Williamson and Wilson. All other counties are considered Rural. The urban allocation is 44% of the remaining 70% of the funding, and the rural allocation is 56%. The percentages are based on the low-income population in the designated urban and rural counties. However, the urban areas do not include the low income populations of the local participating jurisdictions of Chattanooga, Clarksville, Jackson, Knox County, Memphis, Metropolitan Nashville-Davidson County, Shelby County, Sullivan County, and Washington County, excluding the Town of Jonesborough. There will be an urban and a rural matrix and the applicants will be scored, ranked and funded until all the funds are awarded. There is a \$750,000 maximum grant per county. Grants to successful applicants in the same county will be reduced proportionately should there be multiple successful applicants from the same county with a minimum grant of \$250,000, however, the THDA Board of Directors may award less than \$250,000 should there be more than three successful applicants from the same county.

HOME awards will be in the form of a grant. Grantees will be required to repay any HOME funds expended on projects that are not completed and ready for occupancy within 3 years of the date the Written Agreement is executed between the Grantee and THDA. Grantees may also be required to repay HOME funds as described in the Working Agreement.

### C. ELIGIBLE ACTIVITIES

There are specific eligible activities under the HOME Program that must address the housing needs of low-income households. Manufactured housing and manufactured housing lots are not eligible for HOME assistance. Housing does not include emergency shelters (including shelters for disaster victims) or facilities such as nursing homes, convalescent homes, hospitals, residential treatment facilities, correctional facilities, dormitories, including those for farm workers or housing for students, and units that require reconstruction. Eligible housing activities include:

#### 1. Homeowner rehabilitation programs.

*Housing Rehabilitation:* The use of HOME funds will be limited to the rehabilitation of existing housing units. A maximum of \$40,000 per house for rehabilitation costs (excluding building inspections, LBP inspections, energy related inspections, administration) will be allowed. Dilapidated structures that require reconstruction are not eligible and should not be scored. Priority should be given to the Uniform Property Condition Standards (UPCS) Checklist deficiencies identified during the initial inspection. Level 3, 2, and 1, respectively, rate the severity of the item needing the repair, including, but not limited to: roofs, HVAC systems, electrical systems, plumbing systems, foundation problems, water supply issues, exterior painting to maintain the structure, limited interior painting. The structure must exhibit at least one code violation as revealed by the initial code inspection.

HOME regulations require that after the work is complete, the entire structure must meet the UPCS and the adopted building code in effect for the jurisdiction in which the housing unit is located, or in the absence of a local building code, the State-adopted International code. Units assisted with HOME funds must require at least \$1,000 of rehabilitation work to bring the unit into compliance with the applicable codes. Housing units that cannot be brought up to the applicable code using the maximum grant funds are ineligible.

*Housing Rehabilitation Costs and Lead-based Paint.* If a unit to be rehabilitated was built after 1978, the rehabilitation costs are capped by the \$40,000 limit. *All units built prior to 1978 will require a risk assessment by a qualified lead inspector.* If the risk assessment of a pre-1978 unit discloses no lead, then the cap for rehabilitation costs will be \$40,000. If the risk assessment for a pre-1978 unit reveals the presence of lead-based paint and the estimated rehabilitation costs are less than \$25,000, then standard treatments will apply and the HOME subsidy for rehabilitation is limited to \$25,000. If the risk assessment reveals the presence of lead-based paint and the estimated rehabilitation costs exceed \$25,000, then abatement will be required by a qualified abatement contractor to provide rehabilitation assistance up to \$40,000.

## 2. Homeownership Programs.

*CHDO.* CHDOs must use HOME funds to develop units for homeownership, including new construction or acquisition and substantial rehabilitation of substandard single-family dwellings. HOME funds must be the primary method of financing (without interest cost) for the development of affordable single-family units. The CHDO must be the owner and developer of all units at the time the units are constructed or rehabilitated. When units are sold to eligible home buyers, the HOME funds must be repaid to the CHDO as CHDO proceeds and must be used to develop additional single-family units for homeownership. A CHDO must allow an amount up to \$14,999 of HOME funds to remain with the unit as a soft second mortgage as necessary to qualify the household for permanent financing, but not less than \$1,000. THDA requires that a subsidy remain in the financing when the unit is sold so affordability is based on the less restrictive recapture provision of the HOME regulations. Any homeownership unit developed by a CHDO that cannot be sold to an eligible homebuyer within nine months of the Certificate of Occupancy must be converted to rental housing and rented to an income eligible tenant.

Before construction or acquisition and rehabilitation can begin under homeownership, all units must have eligible buyers pre-approved for a permanent loan. No speculative construction or acquisition is allowed. However, lease purchase is permitted if necessary and if the CHDO has an existing lease-purchase program.

*Cities, counties and non-profit organizations (non-CHDO).* Homeownership programs are restricted to a soft second mortgage necessary to qualify the household for permanent financing.

*Soft second mortgages.* Any HOME funds used for a soft second mortgage in homeownership programs are limited to the lesser of \$14,999 in HOME funds or the amount of HOME funds necessary to qualify the household for permanent financing, but not less than \$1,000. All grant recipients using HOME for soft second mortgages must use the THDA single-family underwriting template to determine the amount of HOME assistance, and must submit the determination to THDA for review and final approval. If the underwriting template indicates that the home buyer does not have an unmet need for the soft second mortgage, the grant recipient may not provide direct HOME assistance to that home buyer. The amount of the soft second mortgage is the "direct HOME subsidy" provided to the home buyer and subject to recapture.

The soft second mortgage will have an affordability period of five years which is forgiven at the end of the fifth year if the unit remains in compliance, i.e., the unit remains the permanent residence of the initial buyer and is not leased or vacated. If the unit is sold or transferred during the affordability period, the amount of the HOME subsidy subject to recapture will be

reduced by twenty percent (20%) per year of occupancy by the initial home buyer. If the unit is leased or vacated during the affordability period, the entire HOME subsidy must be repaid.

*Sales Price Limits.* The sales price limit for homeownership programs are the Property Value Limits. See **Attachment Two: Property Value Limits Existing Homes HOME Purchase Price and New Homes HOME Purchase Price.**

*Underwriting.* Front and back end ratios may not exceed twenty-nine (29%) and forty-one percent (41%), respectively. Lower ratios are encouraged.

*Permanent Financing.* Under homeownership programs, THDA expects the use of THDA mortgage loans whenever suitable. Other financing may be used if it is comparable to a THDA mortgage loan. Permanent financing is considered comparable if the interest rate does not exceed the prevailing THDA Great Choice interest rate by more than one percentage point and when it is demonstrated that the home buyer represents a commensurate underwriting risk to the lender. All loans must have a fixed interest rate fully amortizing over the 30 year term of the loan. There can be no pre-payment penalty for early payoffs.

*Home Buyer Contribution.* The home buyer must make a contribution from their own funds equal to one percent (1%) of the purchase price of the property.

*Home Buyer Education.* All home buyers must complete a home buyer education program from a THDA qualified home buyer education trainer prior to purchase.

*Neighborhood market conditions.* Applicants proposing homeownership projects must document that neighborhood market conditions demonstrate a need for the project and must complete a market study as part of the 2015-2016 application cycle for homeownership programs.

*Deadline for Sale.* Homeownership units must be sold to an eligible home buyer within nine (9) months of project completion. If a homeownership unit is not sold to an eligible home buyer within nine months of the Certificate of Occupancy, the unit must be converted to rental housing for the appropriate rental affordability period or the HOME funds must be repaid by the grant recipient to THDA.

It is expected that the grant recipient will not only shepherd the home buyer through the home buying process, but also work toward fostering an on-going relationship with the home buyer. This includes facilitating additional homeowner counseling, verifying homeowner occupancy requirements on an annual basis, and monitoring mortgage loan default issues.

### **3. CHDO Operating Expenses, Developer's Fees and CHDO Proceeds.**

- a. *CHDO Operating Expenses.* A CHDO may request up to 7% of its grant as CHDO operating expenses to help with the administrative costs of operating a housing program. Operating expenses are separate from project funds and are funded from the 5% set-aside for CHDO operating expenses from the annual allocation.
- b. *Developer's Fees.* A CHDO may also request an 8% developer's fee if the CHDO is acting as a developer of housing. The developer's fee is 8% of the HOME funds used to construct or acquire and rehabilitate the unit. The developer's fee is a project soft cost and counts against the maximum per unit subsidy limit.

- c. **CHDO Proceeds.** CHDO proceeds are the HOME funds returned to a CHDO upon the sale of a unit developed by the CHDO from the buyer's permanent financing. The CHDO must use its CHDO proceeds to develop more housing for homeownership. A CHDO may use 15% of the CHDO proceeds for operating expenses, divided as follows: Maximum of 7% for administration and Maximum of 8% for developer's fees. Once the CHDO proceeds are used a second time to develop more housing for homeownership, the HOME restrictions on the use of proceeds are eliminated. The 25% cap on the amount of CHDO proceeds that can be used for operating or administrative expenses has been eliminated. This policy applies retroactively to current, active CHDO grants.

**4. Project Soft Costs.**

In planning their programs, applicants may include the costs for inspections and work write-ups as a project-related soft cost. The costs for inspections and work write-ups are capped at \$2,500. In addition to the costs for inspections and work write-ups, the costs for lead-based paint inspections, risk assessments and clearance testing, and architectural and engineering fees are also paid as project soft costs. Costs associated with HUD-mandated THDA inspections are also a project soft cost, but do not count against the \$2,500 cap. All project soft costs count toward the HUD maximum per unit subsidy limit.

**D. PROHIBITED ACTIVITIES**

1. Provide project reserve accounts, or operating subsidies;
2. Provide tenant-based rental assistance for the special purposes of the existing Section 8 program, in accordance with Section 212(d) of the Act;
3. Provide non-federal matching contributions required under any other Federal program;
4. Provide assistance authorized under Section 9 of the 1937 Act (annual contributions for operation of public housing);
5. Carry out activities authorized under 24 CFR Part 968 (Public Housing Modernization);
6. Provide assistance to eligible low-income housing under 24 CFR Part 248 (Prepayment of Low Income Housing Mortgages);
7. Provide assistance (other than assistance to a home buyer to acquire housing previously assisted with HOME funds) to a project previously assisted with HOME funds during the period of affordability established by HUD and THDA in the written agreement. However, additional HOME funds may be committed to a project up to one year after project completion, but the amount of HOME funds in the project may not exceed the HUD maximum per-unit subsidy amount;
8. Pay for any cost that is not eligible under 24 CFR 92.206 through 92.209;
9. Use HOME funds for rental housing projects;
10. Provide assistance for a homeowner rehabilitation project by a CHDO from the 15% CHDO set-aside. A CHDO funded through the 15% CHDO Set-aside can only participate in the HOME program if they are the owner and developer of a project.

## **E. LAYERING**

Layering is the combining of other federal resources on a HOME-assisted project that results in an excessive amount of subsidy for the project. Such activity is prohibited. Grantees must analyze each project to insure that only the minimum amount of assistance is allocated to the project. In no case may the amount of HOME funds exceed the HUD Maximum Per Unit Subsidy Limit.

## **F. MATCH AND LEVERAGE**

For the FY 2015 and 2016 HOME programs, THDA will continue to provide the required federal match. Although no local match is required from applicants, THDA will count toward its matching requirement any non-federal project funds that qualify as match under the HOME rule.

In the scoring matrix, any project that has leveraged funds will receive additional points. Leveraged funds are funds provided by the local governments, grants from other sources and cash from program beneficiaries. Loan proceeds from a lending institution do not count as leverage. However, the savings generated from a below market interest rate will count as leverage. Administrative funds, *anticipated* fund-raising revenues, other THDA funds, and construction loans do not count toward leverage. Leveraged funds counted in one program year do not qualify again as leverage in subsequent years.

The value of donated labor, materials and land will count toward leverage. The value of unskilled labor is set at the current minimum wage, and the value of skilled labor is set at twice the current minimum wage. The value of land and/or a building donated or acquired for a project prior to the application will count as leverage, but there must be an appraisal or tax assessment included in the application to document its value. In order to count donated supplies or materials, only the documented value of the actual goods or materials will be considered and they must be legitimately required by the program. The donor must provide a letter to confirm the amount of the supplies or materials. Proposed discounts will not count as leverage.

## **G. HOME PROGRAM REQUIREMENTS**

### **1. INCOME LIMITS**

HOME funds may be used to benefit only low-income or very low-income households. "Low income households" means an individual or household whose income does not exceed 80% of the area median income, adjusted for household size. "Very low income household" means an individual or household whose income does not exceed 50% of the area median income, adjusted for household size.

The income of the household to be reported for purposes of eligibility is the sum of the annual gross income of the beneficiary, the beneficiary's spouse, and any other household member residing in the home. Annual gross income is "anticipated" for the next 12 months, based upon current circumstances or known upcoming changes, minus certain income exclusions.

Current limits are in **Attachment Three: Income Limits for the HOME Program**. Median income for an area or the state shall be that median income estimate made by HUD. Median incomes change when HUD makes revised estimates.

### **2. FORMS OF ASSISTANCE**

*Homeowner rehabilitation.* Assistance from grant recipients to program beneficiaries will be limited to forgivable grants that are completely forgiven after a specified period of time as long as the beneficiary adheres to the conditions of the grant.

*Homeownership programs.* Assistance from grant recipients to program beneficiaries as soft second mortgages will be limited to loans equal to the lesser of \$14,999 or the amount necessary to qualify the household for permanent financing which are forgiven at the end of 5 years.

### 3. COMPLIANCE PERIOD

*Homeowner rehabilitation.* Grants for homeowner rehabilitation projects shall have a compliance period of at least five years with a forgiveness feature of 20% annually. In order to enforce the compliance period, THDA will require that grant recipients obtain a grant note and a recorded deed of trust executed by the homeowners.

If the homeowner of a property that has been rehabilitated dies during the compliance period and the property is inherited by heirs, the property may be rented without repaying the unforgiven portion of the HOME subsidy to THDA. However, if the house is sold by the heirs during the affordability period, the remaining unforgiven portion must be repaid to THDA. This policy may be applied retroactively to prior HOME projects as needed.

### 4. AFFORDABILITY PERIOD

*Down Payment Programs by Local Governments or Non-CHDO Non-Profit Organizations.* A grant recipient that is a local government, or a non-CHDO non-profit agency may provide down payment and closing cost assistance as a soft second mortgage loan in an amount equal to the lesser of \$14,999 in HOME funds or the amount of HOME funds necessary to qualify a household for permanent financing, but not less than \$1,000. There will be an affordability period of five years, secured by a Note and Deed of Trust between the grant recipient and the home buyer. The HOME loan is forgiven at the end of the fifth year if the unit remains in compliance with HOME requirements. This means that the property remains the primary residence of the initial home buyer and is not leased or vacated; and if the property is sold or transferred at the end of the affordability period, the home buyer has complied with these recapture provisions. If the unit is sold or transferred during the affordability period, the amount of HOME subsidy subject to recapture will be reduced by twenty percent (20%) per year of occupancy by the initial home buyer. If the unit is leased or vacated during the affordability period, the entire HOME subsidy must be repaid to THDA by the Grantee.

*CHDOS.* At the time of the sale of the unit to an eligible home buyer, the CHDO must leave HOME funds in the unit as a soft second mortgage loan in an amount equal to the lesser of \$14,999 or the amount of HOME funds necessary to qualify a household for permanent financing, but not less than \$1,000. There will be an affordability period of five years secured by a Note and Deed of Trust between the CHDO and the home buyer. The HOME loan is forgiven at the end of the fifth year if the unit remains in compliance with HOME requirements. This means that the property remains the primary residence of the initial home buyer and is not leased or vacated; and if the property is sold or transferred at the end of the affordability period, the home buyer has complied with these recapture provisions. If the unit is sold or transferred during the affordability period, the amount of HOME subsidy subject to recapture will be reduced by twenty percent (20%) per year of occupancy by the initial home buyer. If the unit is

leased or vacated during the affordability period, the entire HOME subsidy must be repaid to TIIDA.

***Sale or Transfer of the Property.*** The HOME-assisted home buyer may sell or otherwise transfer the unit on or before the end of the affordability period to any willing buyer at any price, and the amount of the HOME subsidy subject to recapture will be reduced by 20% per year of occupancy by the initial home buyer. The amount subject to recapture is limited by the availability of net proceeds. The net proceeds are the sales price minus superior non-HOME loan repayments minus closing costs. If the net proceeds are not sufficient to recapture the remaining outstanding principal balance of the HOME Note plus the amount of the down payment made by the homeowner, if any, plus the amount of any capital improvement investment made by the homeowner, then the grant recipient shall recapture a pro rata share of the net proceeds of the sale in lieu of the full remaining outstanding principal balance of the HOME Note. "Capital improvement investment" means the improvements to the property made at the home buyer's expense (and not through some other form of subsidy), as evidenced by receipts or cancelled checks detailing the capital improvements made. Capital improvements do not include items of maintenance, deferred maintenance or cosmetic improvements. The pro rata amount to be recaptured shall be calculated in accordance with the HOME Program Regulations at 24 CFR 92.254(a)(5)(ii)(A)(3) as follows:

If the net proceeds are not sufficient to recapture the full HOME investment (or a reduced amount) plus enable the homeowner to recover the amount of the homeowner's downpayment and any capital improvement investment made by the home owner since purchase, the grant recipient shall share the net proceeds according to the following formula:

$$\frac{\text{HOME Subsidy}}{\text{HOME Subsidy} + \text{Homeowner Investment}} \times \text{Net Proceeds} = \text{HOME Amount to Recapture}$$

$$\frac{\text{Homeowner Investment}}{\text{HOME Subsidy} + \text{Homeowner Investment}} \times \text{Net Proceeds} = \text{HOME Amount to Recapture}$$

The net proceeds may be divided proportionately as set forth in these steps:

- a. ***Application of Forgiveness Feature.*** Once the net proceeds are determined from the sale of the property, the grant recipient shall reduce the amount due based on the length of time the home buyer has occupied the home in relation to the affordability period. Soft second mortgages up to \$14,999 have a five year affordability period and a forgiveness feature of 20% per year.
- b. ***Amount subject to recapture.*** The HOME investment that is subject to recapture is based on the amount of HOME assistance that enabled the home buyer to buy the housing unit. This includes any HOME assistance that reduced the purchase price from fair market value to an affordable price, but excludes the amount between the cost of producing the unit and the market value of the property (i.e., the development subsidy).
- c. After the full HOME investment has been repaid, any excess profits will belong to the homeowner.

*Construction Financing.* For CHDOs using HOME for construction financing to develop homeownership units, the initial affordability period will be based on the amount of HOME funding invested in the development of the unit under the resale provisions of the HOME regulations. In order to enforce the provisions of the Working Agreement with the CHDO, THDA will require that a Restrictive Covenant and Deed of Trust be recorded against the property prior to drawing down HOME funds for construction. When the unit is sold to an eligible home buyer, THDA will provide the closing agent a copy of the release for Restrictive Covenant and Deed of Trust. The CHDO must provide the closing agent with a Grant Note and Deed of Trust between the CHDO and the home buyer for the soft second mortgage loan under the recapture provisions. Upon receipt by THDA of a copy of the Grant Note, the recorded Deed of Trust between the home buyer and the CHDO, the recorded deed from the seller to the home buyer, and the fully executed final TILA-RESPA Integrated Disclosure (TRID) Settlement Statement, the original Release of Lien is forwarded to the closing agent for recording.

#### 4. LEVEL OF SUBSIDY

MINIMUM HOME DOLLARS	\$ 1,000	PER UNIT
MAXIMUM HOME DOLLARS	\$57,234	0-BEDROOM (EFFICIENCY) LIMIT
	\$65,611	1-BEDROOM LIMIT
	\$79,782	2-BEDROOM LIMIT
	\$103,212	3-BEDROOM LIMIT
	\$113,295	4-BEDROOM OR MORE LIMIT

#### 5. PROPERTY STANDARDS

Property standards must be met when HOME funds are used for a project. Any housing constructed or rehabilitated with THDA HOME funds must meet all applicable local, county and state codes, rehabilitation standards, Uniform Property Condition Standards (UPCS), and zoning ordinances at the time of project completion.

In the absence of a local code, new construction of single-family units or duplexes must meet the current, State-adopted edition of the International Residential Code for One- and Two-Family Dwellings. The newly constructed units must also meet accessibility requirements and mitigate disaster impact as applicable per State and local codes, ordinances, etc. Rehabilitation of existing homeowner units must meet the current, State-adopted edition of the International Existing Building Code.

HOME funded units must also conform to the THDA Minimum Design Standards for New Construction and Rehabilitation of Single Family and Multi-family Housing Units. THDA must review and approve plans, work write-ups and written cost estimates and determine cost reasonableness for both new construction and rehabilitation prior to putting the project out to bid.

The International Code books are available from:

**Eastern Regional Office (BIR)** 900 Montclair Road  
Birmingham, AL 35213  
[P] 888-ICC-SAFE (888-422-7233) and press 0  
[F] (205) 599-9871  
Open 8 a.m. to 4 p.m., Central, Monday-Friday

**Central Regional Office (CH)** 4051 Flossmoor Road  
Country Club Hills, IL 60478  
[P] 888-ICC-SAFE (888-422-7233) and press 0  
[F] (708) 799-4981 or 1-800-214-7167  
Open 8 a.m. to 4 p.m., Central, Monday-Friday

**Western Regional Office (LA)** 5360 Workman Mill Road  
Whittier, CA 90601  
[P] 888-ICC-SAFE (888-422-7233) and press 0  
[F] (562) 908-5524  
Open 8 a.m. to 4 p.m., Pacific, Monday-Friday

**Website:** [www.iccsafe.org](http://www.iccsafe.org)

*Energy Code.* New construction projects must also meet the State-adopted edition of the International Energy Conservation Code. Copies of the Energy Code may also be obtained from the International Code Council at the address listed above.

*Energy Conservation.* In addition to meeting the State-adopted edition of the International Energy Conservation Code, new construction projects must be Energy Star qualified as certified by an independent Home Energy Rating System (HERS) rater or achieve a HERS index of 85 or less when tested by a certified rater.

*Section 504.* Section 504 of the Rehabilitation Act of 1973 prohibits discrimination in federally assisted activities and programs on the basis of disability, and imposes requirements to ensure accessibility for qualified individuals with disabilities to these programs and activities.

## 6. AFTER REHABILITATION PROPERTY VALUE

*For homeowner rehabilitation projects,* the maximum after rehabilitation value permitted for the type of single-family housing (1-4 family residence, condominium, cooperative unit,) shall not exceed 95% of the median purchase price for the area as established by HUD. The after rehabilitation value is determined by adding the appraised value of the land and improvements from the county assessor's office and the cost of the rehabilitation (construction hard costs plus project soft costs). See **Attachment Two: Property Value Limits – Existing Homes HOME Purchase Price.**

## 7. SALES PRICE LIMITS

The sales price limit for homeownership programs are the same as the Property Value Limits for homeowner rehabilitation programs. **See Attachment Two: Property Value Limits Existing Homes HOME Purchase Price and New Homes HOME Purchase Price.**

## II. UNIVERSAL DESIGN/VISITABILITY

THDA encourages the inclusion of features that allow individuals with physical disabilities to reside and/or visit the housing that is constructed or rehabilitated with federal HOME funds.

Universal design is a building concept that incorporates products, general design layouts and other characteristics to a housing unit in order to:

- Make the unit usable by the greatest number of people;
- Respond to the changing needs of the resident; and
- Improve the marketability of the unit

The goal of universal design seeks to build housing that meets the needs of the greatest number of residents within a community. Universal design differs from accessible design, which is primarily intended to meet the needs of persons with disabilities. However, universal design is inclusive of adaptable design as universal design incorporates structural features that will allow a housing unit to be adapted to an individual's current or future needs. Universal design features include, but are not limited to:

- Stepless entrances.
- Minimum 5' x 5' level clear space inside and outside entry door.
- Broad blocking in walls around toilet, tub and shower for future placement of grab bars.
- Full-extension, pull-out drawers, shelves and racks in base cabinets in kitchen.
- Front mounted controls on all appliances.
- Lever door handles.
- Loop handle pulls on drawers and cabinet doors.

More information on Universal Design may be found at The Center for Universal Design at North Carolina State University: <http://www.ncsu.edu/ncsu/design/cud/index.htm>.

Visitability refers to homes that are designed and built in a manner that allows individuals who have trouble with steps or use wheelchairs or walkers to live in or visit the unit. These features include:

- One zero-step entrance.
- Doors with 32 inches of clear passage space.
- One bathroom on the main floor that is accessible to a person using a wheelchair.

More information on Visitability can be found at: <http://www.visitability.org>.

## **I. HOME RELOCATION REQUIREMENTS**

**THDA DISCOURAGES PROJECTS INVOLVING DISPLACEMENT OR RELOCATION OF HOUSEHOLDS. PRIOR TO APPLICATION, CONTACT THDA IF YOU ARE PLANNING ANY PROJECT THAT MAY INVOLVE DISPLACEMENT OR RELOCATION.**

The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (Uniform Act), and its implementing regulations, 49 CFR Part 24 requires relocation assistance where acquisition has occurred under the Uniform Act. In addition, the Uniform Act coverage was expanded in 1987 amendments to cover displacement of individuals resulting from rehabilitation, demolition or private acquisition carried out under a federally assisted project or program.

Section 104(d) of the Housing and Community Development Act ("The Barney Frank Amendments") and HUD's Residential Anti-Displacement and Relocation Assistance Plan include additional relocation requirements. This extra level of relocation protection may be triggered for low-income households when units are converted or demolished with Community Development Block Grant (CDBG) or HOME funds. In addition, when Section 104(d) is triggered, jurisdictions may need to replace any low/moderate income dwelling units that are lost due to the conversion or demolition. This section refers only to residential relocation. If non-residential (commercial/industrial) relocation is involved, contact THDA.

Understanding how relocation requirements are triggered, alternate ways of meeting them, and the costs of the alternatives is essential in making HOME program decisions. Concerns about relocation may cause an administrator to consider establishing a preference for vacant buildings. However, administrators should also consider that vacant buildings are often very deteriorated. Rehabilitating an occupied building even with the cost of assisting tenants to remain or relocate, may be less costly than rehabilitating a vacant building. In occupied buildings, program administrators must consider whether occupants will be able to return after rehabilitation and whether Housing Choice Voucher (Section 8) assistance is available to help meet relocation costs. Selecting vacant projects does not relieve all relocation concerns. Vacant buildings in good condition may have been recently occupied. If so, the program administrator must consider whether the owner removed the tenants in order to apply for HOME assistance for a vacant building. If so, these tenants are displaced persons.

Skilled staff can save the local program money and build goodwill with owners and tenants. Failure to understand and follow relocation requirements can result in unnecessary costs for the local program. It is possible for uninformed owners and staff to take steps that would obligate the local program to provide significant relocation benefits and services. Early briefings for owners and program staff on relocation rules are essential. Handbook 1378, Tenant Assistance, Relocation and Real Property Acquisition consolidates relocation requirements for HOME and other HUD programs in one document. It is available from HUD Field Offices or by contacting THDA. HUD informational booklets for persons who are displaced or whose property is to be acquired are also available from HUD Field Offices or from THDA.

Uniform Relocation Act (URA) requirements are triggered at the time the application is being prepared, and additional requirements are triggered at the time the working agreement is signed between the owner and the grantee and when rehabilitation is completed. Treatment of displaced persons depends upon whether the displaced person is (1) a tenant or owner; (2) a business or household; (3) has income above or below the Section 8 Lower Income Limit.

**WHO IS A DISPLACED PERSON?** - Any person (household, individual, business, farm, or non-profit organization) that moves from the real property, permanently, as a direct result of rehabilitation, demolition, or

acquisition for a project assisted with HOME funds. Relocation requirements apply to all occupants of a project/site for which HOME assistance is sought even if less than 100% of the units are HOME assisted.

**WHO IS NOT A DISPLACED PERSON?** - A tenant evicted for cause, assuming the eviction was not undertaken to evade URA obligations. A person with no legal right to occupy the property under State or local law (e.g., squatter). A tenant who moved in after the application was submitted but before signing a lease and commencing occupancy, was provided written notice of the planned project, it's possible impact on the person (e.g., the person may be displaced, temporarily relocated, or experience a rent increase), and the fact that the person would not qualify as a "displaced person" (or for any assistance under URA) as a result of the project. A person, after being fully informed of their rights, waives them by signing a Waiver Form.

#### **HOW IS DISPLACEMENT TRIGGERED?**

*Before Application.* A tenant moves permanently from the property before the owner submits an application for HOME assistance if THDA or HUD determines that the displacement was a direct result of the rehabilitation, demolition, or acquisition for the HOME project. (e.g., THDA determines that the owner displaced tenants in order to propose a vacant building for HOME assistance.)

*After Application.* A tenant moves permanently from the property after submission of the application, or, if the applicant does not have site control, the date THDA or the local program administrator approves the site because: (1) the owner requires the tenant to move permanently; or (2) the owner fails to provide timely required notices to the tenant; or (3) the tenant is required to move temporarily and the owner does not pay all actual, reasonable out-of-pocket expenses or because the conditions of the move are unreasonable.

*After Execution of Agreement.* A tenant moves permanently from the project after execution of the agreement covering the acquisition, rehabilitation or demolition because the tenant is not provided the opportunity to lease a suitable, affordable unit in the project.

#### **J. HOME RESIDENTIAL ANTI-DISPLACEMENT AND RELOCATION ASSISTANCE PLAN**

THDA will require grant recipients to replace all occupied and vacant habitable lower income housing demolished or converted to a use other than as lower income housing in connection with a project assisted with funds provided under the HOME Investment Partnership Act

All replacement housing will be provided within three years after the commencement of the demolition or conversion. Before entering into a working agreement committing THDA to provide funds for a project that will directly result in the demolition or conversion, THDA will make public by and submit to the HUD/Knoxville HOME coordinator certain information. Each applicant proposing demolition or any reduction in lower income housing units must submit the following information to THDA:

1. A description of the proposed assisted project;
2. The address, number of bedrooms, and location on a map of lower income housing that will be demolished or converted to a use other than as lower income housing as a result of an assisted project;
3. A time schedule for the commencement and completion of the demolition or conversion;
4. To the extent known, the address, number of bedrooms and location on a map of the replacement housing that has been or will be provided;
5. The source of funding and a time schedule for the provision of the replacement housing;

6. The basis for concluding that the replacement housing will remain lower income housing for at least 10 years from the date of initial occupancy; and
7. Information demonstrating that any proposed replacement of housing units with smaller dwelling units (e.g., a 2-bedroom unit with two 1-bedroom units), or any proposed replacement of efficiency or single-room occupancy (SRO) units with units of a different size, is appropriate and consistent with the housing needs and priorities identified in the approved Consolidated Plan.

#### K. EQUAL OPPORTUNITY AND FAIR HOUSING

No person in the United States shall on the grounds of race, color, religion, sex, familial status, national origin, or disability be excluded from participation, denied benefits or subjected to discrimination under any program funded in whole or in part by HOME funds. The following Federal requirements as set forth in 24 CFR 5.105(a), Nondiscrimination and equal opportunity, are applicable to HOME projects:

Fair Housing Act	24 CFR Part 100
Executive Order 11063, as amended (Equal Opportunity in Housing)	24 CFR Part 107
Title VI of the Civil Rights Act of 1964 (Nondiscrimination in Federal programs)	24 CFR Part 1
Age Discrimination Act of 1975	24 CFR Part 146
Section 504 of the Rehabilitation Act of 1973	24 CFR Part 8
Section 109 of Title I of the Housing and Community Development Act of 1974	24 CFR Part 6
Title II of the Americans with Disabilities Act	42 U.S.C. §12101 <i>et seq.</i>
Equal Access to Housing in HUD Programs Regardless of Sexual Orientation or Gender Identity	24 CFR Parts 5, 200, 203, 236, 400, 570, 574, 882, 891 and 982
Section 3 of the Housing & Urban Development Act of 1968	24 CFR 135
Section 3 requires that the employment and other economic opportunities generated by Federal financial assistance for housing and community development programs shall, to the greatest extent feasible, be directed toward low-income persons, particularly those who are recipients of government assistance for housing.	
Executive Order 11246, as amended (Equal Employment Opportunity Programs)	41 CFR 60
Executive Order 11625, as amended (Minority Business Enterprises)	
Executive Order 12432, as amended (Minority Business Enterprise Development)	
Executive Order 12138, as amended (Women's Business Enterprise)	

Executive Orders 11625, 12432, and 12138 (Minority/Women's Business Enterprise) require that PJs and local programs must prescribe procedures acceptable to HUD for a minority outreach program to ensure the inclusion, to the maximum extent possible, of minorities and women and entities owned by minorities and women in all contracts. Local programs must also develop acceptable policies and procedures if their application is approved by THDA.

The HUD Office of Fair Housing also includes the following fair housing laws and Presidential Executive Orders which are not included in 24 CFR 5.105(a) but which are applicable to federally-assisted programs:

Architectural Barriers Act of 1968

42 U.S.C. §4151 *et seq.*

Executive Order 12892, as amended  
(Affirmatively Furthering Fair Housing)

Executive Order 12898

Executive Order 13166  
(Limited English Proficiency)

Executive Order 13217  
(Community-based living arrangements for persons with disabilities)

In addition to the above requirements, the PJ and local programs must assure that its Equal Opportunity and Fair Housing policies in the HOME Program are consistent with its current Consolidated Plan.

#### **L. SITE AND NEIGHBORHOOD STANDARDS**

Housing provided through the HOME program must be suitable from the standpoint of facilitating and furthering full compliance with the applicable provisions of Title VI of the Civil Rights Act of 1964, the Fair Housing Act, Executive Order 11063, and HUD regulations issued pursuant thereto; and must promote greater choice of housing opportunities. Grantees must ensure that the proposed activity does not allow or promote segregation on the basis of race, disability or income.

#### **M. AFFIRMATIVE MARKETING**

Prior to beginning a HOME project, grant recipients must adopt affirmative marketing procedures and requirements for all HOME funded home buyer projects with five or more units. Affirmative marketing steps consist of actions to provide information and otherwise attract eligible persons in the housing market area to the available housing without regard to race, color, national origin, sex, religion, familial status or disability. These must be approved by THDA prior to any HOME funds being committed to a project. Requirements and procedures must include:

1. Methods for informing the public, owners and potential tenants about fair housing laws and the local program's policies;
2. A description of what owners and/or the program administrator will do to affirmatively market housing assisted with HOME funds;
3. A description of what owners and/or the program administrator will do to inform persons not likely to apply for housing without special outreach;

4. Maintenance of records to document actions taken to affirmatively market HOME-assisted units and to assess marketing effectiveness; and
5. Description of how efforts will be assessed and what corrective actions will be taken where requirements are not met.

#### **N. ENVIRONMENTAL REVIEW**

In implementing the HOME program, the environmental effects of each activity must be assessed in accordance with the provisions of the National Environment Policy Act of 1969 (NEPA) and the related authorities listed in HUD's regulations at 24 CFR Parts 50 and 58.

THDA, as the Participating Jurisdiction, and the units of local government receiving HOME funds from THDA will be responsible for carrying out environmental reviews. THDA will approve the release of funds for local governments and must request the release of funds from HUD for any projects of non-profit organizations. The non-profit organizations will be responsible for gathering the information required for the environmental reviews. HOME funds cannot be committed until the environmental review process has been completed and funds have been released. The Environmental Review covers the entire project, not just the portion funded by HOME. Therefore, except under very limited circumstances, *no funds, including both HOME and non-HOME resources, may be expended on a project prior to the release of funds under the Environmental Review process. Any such expenditure will make the entire project ineligible for funding under the HOME program.*

#### **O. LEAD-BASED PAINT**

Housing assisted with HOME funds is subject to the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4821 et seq.) and 24 CFR Part 35, Subparts C through M. The lead-based paint provisions of 982.401(j) also apply, irrespective of the applicable property standard under 24 CFR 92.251. The Lead-Based Paint regulations are available at [www.hud.gov/lea](http://www.hud.gov/lea) or by contacting 1-800-424-LEAD (5323).

#### **P. LABOR STANDARDS**

Davis-Bacon wage compliance and other Federal laws and regulations pertaining to labor standards apply to all contracts for rehabilitating or constructing 12 or more units assisted with HOME funds. The contract for construction must contain the applicable wage provisions and labor standards. Davis-Bacon does not apply to projects using volunteer labor or to sweat equity projects.

#### **Q. DEBARMENT AND SUSPENSION**

Local programs must require participants in lower-tier transactions covered by 24 CFR 24 to certify that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from the covered transaction.

#### **R. FLOOD PLAINS**

*HOME funds may not be used to construct housing in an area identified by the Federal Emergency Management Agency as having special flood hazards. In addition, THDA discourages the rehabilitation of*

units located in special flood hazard areas, but in a few instances and with written permission from HUD, houses located in a floodplain may be assisted. The community must be participating in the National Flood Insurance Program and flood insurance must be obtained on the units.

#### **S. CONFLICT OF INTEREST**

In the procurement of property and services, the conflict of interest provisions at 2 CFR 200.112, apply. In all cases not governed by 2 CFR 200.112, the conflict of interest provisions of the HOME Rule as stated below apply:

The HOME conflict of interest provisions apply to any person who is an employee, agent, consultant, officer, elected official or appointed official of HUD, a State recipient or subrecipient receiving HOME funds. No person listed above who exercise or have exercised any functions or responsibilities with respect to activities assisted with HOME funds or who are in a position to participate in a decision-making process or gain inside information with regard to these activities may obtain a financial interest or financial benefit from a HOME-assisted activity, or have a financial interest in any contract, subcontract or agreement with respect to the HOME-assisted activity, or the proceeds from such activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for one year thereafter. Immediate family ties include (whether by blood, marriage or adoption) the spouse, parent (including stepparent), child (including a stepchild), brother, sister (including a stepbrother or stepsister), grandparent, grandchild, and in-laws of a covered person.

No owner, developer or sponsor of a project assisted with HOME funds (or officer, employee, agent, elected or appointed official, or consultant of the owner, developer or sponsor or immediate family member or immediate family member of an officer, employee, agent, elected or appointed official, or consultant of the owner, developer or sponsor) whether private, for profit or non-profit (including a CHDO when acting as an owner, developer or sponsor) may occupy a HOME-assisted affordable housing unit in a project during the required period of affordability specified in 92.252(c) or 92.254(a)(4). This provision does not apply to an individual who receives HOME funds to acquire or rehabilitate his or her principal residence or to an employee or agent of the owner or developer of a rental housing project who occupies a housing unit as the project manager or maintenance worker.

Grant recipients should avoid conflicts of interest in administering their HOME programs as HUD does not routinely consider requesting exceptions to the conflict of interest provisions from HUD.

#### **T. PROCUREMENT**

It is important to keep the solicitation of bids for goods and services as well as professional services contracts open and competitive. Cities, counties and non-profit organizations must follow their procurement policies and meet state and federal requirements. At a minimum, applicants must comply with 2 CFR 200.318 - General Procurement Standards.

Applicants should obtain 3 to 5 bids using formal advertising or requests for proposals for the procurement of professional services such as grant administration, inspections and work write-ups. There must be an established selection procedure and a written rationale for selecting the successful bid or proposal.

#### **U. APPLICATION AND EVALUATION PROCEDURE**

THDA will evaluate each application to determine if the proposal meets threshold criteria. Threshold criteria includes: submission of a complete application; proposal of an eligible activity; proposal of a project that in the opinion of THDA is physically, financially and administratively feasible; and the proposal of a project that meets the requirements of 24 CFR Part 92, as amended.

Additional requirements for non-profit organizations, including CHDOs, are listed on **Attachment One: Non-Profit/CHDO Checklist**. Documentation must be submitted along with the completed Checklist to demonstrate that the organization meets threshold requirements and has the capacity to provide affordable housing for low income households, including the administration of the proposed project.

Applications meeting the threshold criteria will be scored and ranked in descending numerical order within the "urban" matrix, the "rural" matrix or the CHDO matrix, based on the following categories:

URBAN AND RURAL MATRICES	Up to 195Points
<p><b>1. PROGRAM DESIGN</b></p> <p>The proposed program demonstrates exceptional planning, readiness and administrative capability. All necessary components to accomplish the project have been identified in the application.</p> <ul style="list-style-type: none"> <li>• Program administrators with the following characteristics have been identified: <ul style="list-style-type: none"> <li>➤ Has personnel who are knowledgeable in HOME grant administration;</li> <li>➤ Has relevant experience in the administration of housing grants; and/or has otherwise shown the capability to administer the project;</li> <li>➤ Has the ability to follow the timeframe of Attachment B: Implementation Plan of the Working Agreement;</li> <li>➤ Is able to draw down funds in a timely manner;</li> <li>➤ Has a lack of monitoring findings;</li> <li>➤ Has not left HOME funds in excess of \$75,000 in a prior grant at closeout; and</li> <li>➤ Responds appropriately to client concerns or complaints, contractor's concerns or complaints, and information requests from THDA staff.</li> <li>➤ THDA will also consider the number and locations of current grants an administrator is administering and other factors THDA, in its sole discretion, deems relevant, in evaluating an application.</li> </ul> </li> <li>• Individuals/firms providing architectural, construction management and/or inspection services have been identified and are qualified to perform the services.</li> </ul>	<p><b>Up to 50 points</b></p>

- THDA will consider the number and locations of current grants for which an individual/firm is providing inspection services in any given program year, and other factors, THDA, in its sole discretion, deems relevant in evaluating an application.

- If applicable, the lead inspector and/or risk assessors have been identified and are qualified to perform the services.
- If the applicant is a local community, the local government is involved in the administration of the project.

**2. NEED**

**Up to 50 points**

THDA has calculated need factors using housing statistics for counties. Factors are based on percentages rather than absolute numbers. For homeowner projects, the need factors used are the percentage of owner households that are low income; the percentage of owner households with cost burden; the percentage of affordable owner units built before 1960; the percentage of food stamp recipient households in the county; percent of owner households greater than one and one-half times overcrowded; percent of county average homeowner delinquency rate (2014); percent of county poverty rate for all households (2013); and county unemployment rate (2014). Scores to be used in the evaluations are shown in **Attachment Four: 2015-2016 HOME Need Scores for Homeowner Projects**.

For multi-county projects, the need score is calculated proportionately according to the number of units proposed for each county.

**3. NOT PROPORTIONALLY SERVED**

**Up to 50 points**

THDA shall award up to 50 points to applications submitted from areas where the amount of prior HOME funding is below the state average. The formula for awarding these points is based on the percentage of 1992 - 2014 HOME dollars awarded in each county. These calculations are shown in **Attachment Five: HOME Program Not Proportionally Served**. For multi-county projects, this score is calculated proportionately according to the number of units in each county.

**4. DISASTER AREAS**

**10 points**

THDA shall award 10 points to applications for projects located in counties that have been declared a presidential disaster area under the Robert T. Stafford Disaster Relief and Emergency Assistance Act in the year prior to the application due date. See **Attachment Six: Disaster Counties** for the current disaster areas.

**5. LEVERAGE**

**Up to 10 points**

THDA shall award up to 10 points to applications that include the use of funds from other sources. THDA will award points in this category based on the actual percentage of other funds in the project. Leveraged funds counted in one program year do not qualify again as leverage in subsequent years. In order to receive points, there must be written documentation of the leveraged funds in the application.

**6. ENERGY CONSERVATION**

**Up to 10 points**

THDA shall award up to 5 points to applications for rehabilitation that include an independent energy audit and, to the extent feasible, incorporate the recommendations of the audit report in the rehabilitation work write-up.

7. **TENNESSEE GROWTH POLICY ACT**

**10 Points**

TCA Section 6-58-109(c) requires THDA to award 5 points on a 100 point scale or a comparable percentage on a different point scale to municipalities or counties with approved growth plans when the local communities apply for HOME funds. Applications from counties not subject to the Tennessee Growth Policy Act will also receive these points. See **Attachment Seven: Growth Plan Approvals**.

**CHDO MATRIX****Up to 180 Points****I. CAPABILITY****Up to 50 points**

The proposed project demonstrates exceptional planning and readiness.

Up to 25 points

- The program design is complete and all necessary components to accomplish the project are identified in the application.
- Sites have been identified and CHDO has site control. NOTE: THDA will not be able to issue a Working Agreement unless there are specific addresses or a legal description for the property.
- CHDO has a pipeline of potential home buyers ready to purchase or working toward readiness to purchase. NOTE: Commitment of CHDO funds must be to a specific address and home buyer to meet HUD's definition of CHDO commitment by the 24-month deadline.
- CHDO has completed an examination of neighborhood market conditions demonstrating a need for the proposed housing and the anticipated housing types, as well as the target locations or neighborhoods for which the housing is intended.
- CHDO has the capacity to secure other funding for the project. Commitment letters are included in the application.

The CHDO demonstrates sufficient capacity beyond threshold.

Up to 25 points

- The CHDO has produced successful affordable housing projects of similar size, scope and complexity.
- The CHDO has a demonstrated capacity to manage homeownership programs.
- The CHDO has paid staff with demonstrated housing development experience as documented by W-2 forms.
- The organization's budget reflects multiple sources of funding.
- If previous experience under HOME:
  - Has the ability to conform to the timeframe of Attachment B: Implementation Plan of the HOME Working Agreement;
  - Has the ability to draw down funds in a timely manner;
  - Has the ability to complete a project within the contract term;

- Has a lack of monitoring findings; and
- Appropriately responds to client concerns or complaints.

**2. NEED**

**Up to 50 points**

THDA has calculated need factors using housing statistics for counties. Factors are based on percentages rather than absolute numbers. For homeowner projects, the need factors used are percentage of owner households that are low income; the percentage of low income owner households with cost burden; and the percent of affordable owner units built before 1960; the percentage of food stamp recipient households in the county; percent of owner households greater than one and one-half times overcrowded; percent of county average homeowner delinquency rate (2014); percent of county poverty rate for all households (2013); and county unemployment rate (2014). Scores to be used in the evaluations are shown in **Attachment Four: 2015-2016 HOME Need Scores for Homeowner Projects**.

For multi-county projects, the need score is calculated proportionately according to the number of units proposed for each county.

**3. NOT PROPORTIONALLY SERVED**

**Up to 50 points**

THDA shall award up to 50 points to applications submitted from areas where the amount of THDA and HOME funding is below the state average. The formula for awarding these points is based on the percentage of 1992-2014 HOME dollars awarded in each county. These calculations are shown in **Attachment Five: HOME Program Not Proportionally Served**. For multi-county projects, this score is calculated proportionately according to the number of units in each county.

**4. DISASTER AREAS**

**10 points**

THDA shall award 10 points to applications for projects located in counties that have been declared a presidential disaster area under the Robert T. Stafford Disaster Relief and Emergency Assistance Act in the year prior to the application due date. See **Attachment Six: Disaster Counties** for the current disaster areas.

**5. LEVERAGE**

**Up to 10 points**

THDA shall award up to 10 points to applications that include the use of funds from other sources. THDA will award point in this category based on the actual percentage of other funds in the project. Leveraged funds counted in one program year do not qualify again as leverage in subsequent years. In order to receive points, there must be written documentation for the leveraged funds in the application.

**6. ENERGY CONSERVATION/UNIVERSAL DESIGN**

**Up to 10 points**

- a. For acquisition/rehabilitation and sale type homeownership projects, THDA shall award up to 10 points to applications that, to the extent feasible, include energy conservation measures in the rehabilitation of each unit.
- b. For new construction homeownership projects, THDA shall award 10 points to applications that agree to construct each single family unit in accordance with the following standards to enable the unit to be visitable to individuals with physical disabilities:
  - (1) At least one entrance door, whether located at the front, side, or back of the building, or through an interior garage;

- (A) Is on an accessible route served by a ramp or no-step entrance; and
  - (B) Has at least a standard 36 inch door;
- (2) On the first floor of the building:
- (A) Each interior door is at least a standard 32 inch door, unless the door provides access only to a closet of less than 15 square feet in area;
  - (B) Each hallway has a width of at least 36 inches and is level, with ramped or beveled changes at each door threshold;
  - (C) Each bathroom wall is reinforced for potential installation of grab bars;
  - (D) Each electrical panel or breaker box, light switch, or thermostat is not higher than 48 inches above the floor; and
  - (E) Each electrical plug or other receptacle is at least 15 inches above the floor; and
- (3) The main breaker box is located inside the building on the first floor.

**APPENDIX E:**  
**ESG PROGRAM DESCRIPTION**

STATE OF TENNESSEE  
FY 2016-17 ANNUAL ACTION PLAN



## HOUSING GRANT APPLICATION 2016 EMERGENCY SOLUTIONS GRANT PROGRAM

### Program Description and Application Package Tennessee Housing Development Agency

The Emergency Shelter Grants Program was established by the Homeless Housing Act of 1986 in response to the growing issue of homelessness in the United States. In 1987, the program was incorporated into Title IV of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. Sec. 11371-11378), now known as the McKinney-Vento Homeless Assistance Act. The U.S. Department of Housing and Urban Development awards these funds to the State of Tennessee. The Governor of Tennessee has designated the Tennessee Housing Development Agency (THDA) to administer ESG funds on behalf of the State.

The Emergency Solutions Grants (ESG) Program was created to replace the Emergency Shelter Grants program when the Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) was signed into law on May 20, 2009. The HEARTH Act amended and reauthorized the McKinney-Vento Homeless Assistance Act, and included major revisions to the Emergency Shelter Grant Program.

The new ESG Program is designed to identify sheltered and unsheltered homeless persons, as well as those at risk of homelessness, and provide the services necessary to help those persons to quickly regain stability in permanent housing after experiencing a housing crisis and/or homelessness. The change in program name reflects the change in focus from addressing the needs of the homeless in emergency or transitional shelters to assisting people to regain stability in permanent housing. THDA anticipates an ESG allocation in 2016 of approximately \$3 million. THDA will combine the 2016 resources with approximately \$1.2 million remaining in 2015 ESG funds.

As required under the HEARTH regulations, the State is required to consult with each Continuum of Care that serves its jurisdiction to determine how to allocate ESG funds. Thus, THDA identified needs within the State as indicated by the 2014 Continuum of Care (CoC) Point in Time (PIT) counts:

Continuum of Care	Number Homeless	Percent of Total Homeless	Continuum of Care	Number Homeless	Percent of Total Homeless
Appalachian Regional	598	6%	Memphis Shelby County	1,675	17%
Central TN	286	3%	Morristown/Blount, Sevier, Campbell, & Cocke Counties	933	9%
Chattanooga/Southeast TN	627	6%	Murfreesboro/Rutherford County	258	2%
Jackson/West TN	1,601	17%	Nashville/Davidson County	2,234	23%
Knoxville/Knox County	861	9%	Upper Cumberland	342	3%
<b>Total Homeless in All CoCs: 9,415</b>					

PY 2016 ESG Program Description

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THDA's rating scale described in this program description will include input from THDA's consultation with each CoC.

The purpose of this Program Description is to explain the requirements and the application process for the ESG Program. Agencies applying for 2016 ESG funding must include in their application documentation that is supported by data showing: 1) need for the program; 2) evidence of homelessness or at-risk of homelessness population within the community; 3) a plan that summarizes how funds will be used to address the unmet needs of their community; and 4) evidence that the applicant has collaborated with the local Continuum of Care (CoC) and that activities selected will help the CoC to meet its goals to address and end homelessness. Preference is given to applicants whose programs will help to meet priorities identified by HUD, the State of Tennessee, and the local Continuum of Care. Programs that will provide access to permanent rapid re-housing are preferred.

ESG funds are awarded on a formula basis to the Small City Entitlement Communities and, on a competitive basis, to 501(c)(3) or 501(c)(4) non-profit organizations, with appropriate documentation. THDA will accept applications from eligible non-profit organizations within all 95 counties for the 2016 ESG application round.

Applications for the ESG program must be received by THDA on or before 4:30 PM CST on Thursday, March 17, 2016. Contingent upon an announcement of a 2016 ESG allocation, THDA anticipates notifying successful applicants by May 31, 2016 and issuing 2016 ESG contracts effective July 1, 2016 for the period July 1, 2016 through June 30, 2017. An applicant must apply for at least \$35,000 and may apply for a maximum of \$150,000 in ESG funding.

The program description is followed by the application package. The program description and application is also available at [www.thda.org](http://www.thda.org). Once at the THDA website, click on Grant Administrators/ESG Program. There will be a link for the program description, the application and the application attachments. If you have questions, contact the Community Programs Division of THDA at (615) 815-2030.

## THE ESG PROGRAM

The ESG program is governed by Title 24 Code of Federal Regulations, Parts 91 and 576. Those regulations are incorporated by reference in this Program Description. In cases of conflicting requirements, the more stringent requirement will apply.

The objectives of the ESG program are:

1. To help improve the quality of emergency shelters for the homeless;
2. To help meet the costs of operating and maintaining emergency shelters;
3. To provide essential services so that homeless individuals have access to the assistance they need to improve their situation;
4. To provide street outreach services to the homeless; and
5. To provide emergency intervention assistance and rapid-rehousing services to prevent homelessness and to obtain permanent housing.

Based on the activity, all ESG resources must be used to benefit individuals who are defined by HUD as "homeless" in 24 CFR Part 91 and 576.

HUD defines "homeless" as:

- (1) *Category 1:* An individual or family who lacks a fixed, regular, and adequate nighttime residence, meaning:
  - (i) An individual or family with a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings, including a car, park, abandoned building, bus or train station, airport or camping ground;
  - (ii) An individual or family living in a supervised publicly or privately operated shelter designed to provide temporary living arrangements (including congregate shelters, transitional housing, and hotels and motels paid for by charitable organizations or by federal, state, or local government programs for low-income individuals); or
  - (iii) An individual who is exiting an institution where he or she resided for 90 day or less and who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution;
- (2) *Category 2:* An individual or family who will imminently lose their primary nighttime residence, provided that:
  - (i) The primary nighttime residence will be lost within 14 days of the date of application for homeless assistance;
  - (ii) No subsequent residence has been identified; and
  - (iii) The individual or family lacks the resources or support networks, e.g., family friends, faith-based or other social networks, needed to obtain other permanent housing;
- (3) *Category 3:* Unaccompanied youth under 25 years of age, or families with children and youth, who do not otherwise qualify as homeless under this definition, but who:
  - (i) Are defined as homeless under section 387 of the Runaway and Homeless Youth Act (42 U.S.C. 5732a), section 637 of the Head Start Act (42 U.S.C. 9832), section 41403 of the Violence Against Women Act of 1994 (42 U.S.C. 14043e-2), section 330(h) of the Public Health Service Act (42 U.S.C. 254b(h)), section 3 of the Food and Nutrition Act of 2008 (7 U.S.C. 2012), SECTION 17(b) or section 725 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434A);
  - (ii) Have not had a lease, ownership interest, or occupancy agreement in permanent housing the 60 days immediately preceding the date of application for assistance;
  - (iii) Have experienced persistent instability as measured by two moves or more during the 60-day period immediately preceding the date of applying for homeless assistance; and

- (iv) Can be expected to continue in such status for an extended period of time because of chronic disabilities, chronic physical health or mental health conditions, substance addiction, histories of domestic violence or childhood abuse (including neglect), the presence of a child or youth with a disability, or two or more barriers to employment, which include the lack of a high school degree or General Education (GED), illiteracy, low English proficiency, a history of incarceration or detention for criminal activity, and a history of unstable employment; or
- (4) *Category 4: Any individual or family who:*
- (i) Is fleeing, or is attempting to flee, domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions that relate to violence against the individual or a family member, including a child, that has either taken place within the individual's or family's primary nighttime residence or has made the individual or family afraid to return to their primary nighttime residence;
  - (ii) Has no other residence; and
  - (iii) Lacks the resources or support networks, e.g., family, friends, faith-based or other social networks, to obtain other permanent housing.

IIUD defines an "at risk" individual or family as follows:

(1) *Category 1*

- a. Has family income below 30 percent of median income for the geographic area;
- b. Has insufficient resources immediately available to attain housing stability; and
- c. Meets one or more of the following criteria:
  - i. Has moved frequently because of economic reasons
  - ii. Is living in the home of another because of economic hardship
  - iii. Has been notified that their right to occupy their current housing or living situation will be terminated
  - iv. Is living in a hotel or motel
  - v. Lives in severely overcrowded housing
  - vi. Is exiting an institution; or
  - vii. Otherwise lives in housing that has characteristics associated with instability and an increased risk of homelessness (as defined in the Consolidated Plan for the jurisdiction).

(2) *Category 2*

- a. Such term includes all families with children and youth defined as homeless under other Federal statutes. Note that there are limits on expenses within this category in CoCs where homelessness (sheltered and unsheltered) is 1/10 or more of 1% of the total population (See CPD-12-001).

(3) *Category 3*

- a. This category includes children/youth who qualify as homeless under the Education for Children and Youth project (Section 725\*(2) of the McKinney-Vento Act) and the parents or guardians of that child/youth if living with him/her.

**A. CONSISTENCY WITH THE CONSOLIDATED PLAN**

All applicants serving a county located within a local HUD Consolidated Plan jurisdiction must obtain a "certificate of consistency" with the local HUD Consolidated Plan. Local HUD Consolidated Plan jurisdictions include:

- City of Bristol
- City of Chattanooga
- City of Clarksville
- City of Cleveland
- City of Franklin
- City of Jackson
- City of Johnson City
- City of Kingsport
- City of Knoxville
- City of Memphis
- City of Morristown
- City of Murfreesboro
- Metropolitan Government of Nashville-Davidson County
- City of Oak Ridge
- County of Knox
- County of Shelby

Organizations serving communities located outside of those noted above are covered by the State's Consolidated Plan. THDA will provide a certification of consistency with the State's Consolidated Plan during the application review process.

**B. ALLOCATION OF FUNDS**

ESG funds committed to the State of Tennessee, through THDA, will be allocated as provided in the State of Tennessee's Consolidated Plan, as amended. THDA will spend up to 7.5% of its ESG allocation for administrative and planning expenses. THDA will share the amount available for administration with the small city entitlement communities that do not receive their own ESG allocation from HUD. **Non-profit agencies are not eligible to receive funds for administration.**

The remaining ESG funds will be allocated as follows:

Small Cities Set-Aside. THDA will allocate 38% of the ESG funds on a formula basis to the twelve CDBG entitlement cities that do not receive ESG grants, but are expected to address homelessness through the "Continuum of Care" described in their Consolidated Plans. These cities are: Bristol, Clarksville, Cleveland, Franklin, Hendersonville, Jackson, Johnson City, Kingsport, Knoxville, Morristown, Murfreesboro, and Oak Ridge.

Competitive Allocation. The remaining 62% of the ESG funds will be allocated to eligible applicants in a competitive grant application process.

### **C. ELIGIBLE APPLICANTS**

The State of Tennessee, through THDA, will accept applications for the ESG program from non-profit organizations and local units of governments. Non-profit applicants must submit **PART V: Non-Profit Checklist** with supporting documentation, and **PART VI: Non-Profit Board Composition**.

To be eligible for ESG funding, the non-profit organization must:

1. Be organized and existing as a non-profit agency under Tennessee law, as evidenced by a Certificate of Existence from the Tennessee Secretary of State dated within six months of the application due date;
2. Have no part of its net earnings inuring to the benefit of any member, founder, contributor or individual;
3. Be established for charitable purposes and whose activities include, but are not limited to, the promotion of social welfare and the prevention or elimination of homelessness, as evidenced in its charter, articles of incorporation, resolutions or by-laws, and experience in the provision of shelter and services to the homeless;
4. Have standards of financial accountability that conform to 24 CFR 84.21, Standards of Financial Management Systems; and
5. Have an IRS designation under Section 501(c)(3) or Section 501(c)(4) of the federal tax code. A 501(c)(3) non-profit applicant may not submit an application until they have received their designation from the IRS. A 501(c)(4) non-profit applicant must provide documentation satisfactory to THDA, in its sole discretion, that the non-profit has filed the necessary materials with the IRS and received a response from the IRS demonstrating 501(c)(4) status.
6. Faith-based organizations receiving ESG funds, like all organizations receiving HUD funds, must serve all eligible beneficiaries without regard to religion.
7. Submit certification of participation in local Continuum of Care activities and HMIS reporting.

In accordance with 24 C.F.R. Section 576.202(a)(2), non-profit organizations are eligible to receive funding for emergency shelter activities only if such funding for emergency shelter activities is approved by the local government jurisdiction where the emergency shelter activities are physically located. Each application from a nonprofit must contain **PART VII: Certification of Local Government Approval** specific to the emergency shelter housing and service locations that it controls within each jurisdiction. This Attachment must be submitted to THDA at the time of application. If the organization intends to provide emergency shelter assistance in a number of jurisdictions, a certification of approval must be submitted by each unit of local government in which the emergency shelter activities are to be located.

### **D. ELIGIBLE ACTIVITIES**

1. **Street Outreach:** Essential services to eligible participants provided on the street or in parks, abandoned buildings, bus stations, campgrounds, and in other such settings where unsheltered persons are staying. Staff salaries related to carrying out street outreach are also eligible.

**Eligible Program Participants:** Unsheltered individuals and families who qualify as homeless under Category 1 of HUD's Definition of "Homeless".

**Allowable Activities:**

- a. *Engagement.* The costs of activities to locate, identify, and build relationships with unsheltered homeless people and engage them for the purpose of providing immediate support, intervention, and connections with homeless assistance programs and/or mainstream social services and housing programs. These activities consist of making an initial assessment of needs and eligibility; providing crisis counseling; addressing urgent physical needs, such as providing meals, blankets, clothes or toiletries; and actively connecting and providing information and referrals to programs targeted to homeless people and mainstream social services and housing programs, including emergency shelter, transitional housing, community-based services, permanent supportive housing and rapid re-housing programs. Eligible costs include the cell phone costs of outreach workers during the performance of these activities.
- b. *Case Management.* The cost of assessing housing and service needs, arranging, coordinating, and monitoring the delivery of individualized services to meet the needs of the program participant. Eligible services and activities are as follows: using the centralized or coordinated assessment system as required under § 576.400(d); conducting the initial evaluation required under § 576.401(a), including verifying and documenting eligibility; counseling; developing, securing and coordinating services; obtaining Federal, State, and local benefits; monitoring and evaluating program participants progress; providing information and referrals to other providers; and developing an individualized housing and service plan, including planning a path to permanent housing stability.
- c. *Emergency Health Services.*
  - (i) Eligible costs are for the direct outpatient treatment of medical conditions and are provided by licensed medical professionals operating in community-based settings, including streets, parks, and other places where unsheltered homeless people are living.
  - (ii) ESG funds may be used only for these services to the extent that other appropriate health services are inaccessible or unavailable within the area.
  - (iii) Eligible treatment consists of assessing a program participant's health problems and developing a treatment plan; assisting program participants to understand their health needs; providing directly or assisting program participants to obtain appropriate emergency medical treatment; and providing medication and follow-up services.
- d. *Emergency Mental Health Services.*
  - (i) Eligible costs are the direct outpatient treatment by licensed professionals of mental health conditions operating in community-based settings, including streets, parks, and other places where unsheltered people are living.

- (ii) ESG funds may be used only for these services to the extent that other appropriate mental health services are inaccessible or unavailable within the area.
  - (iii) Mental health services are the application of therapeutic processes to personal, family, situational, or occupational problems in order to bring about positive resolutions of the problem or improved individual or family functioning or circumstances.
  - (iv) Eligible treatment consists of crisis interventions, the prescription of psychotropic medications, explanation about the use and management of medications, and combinations of therapeutic approaches to address multiple problems.
- c. *Transportation.* The transportation costs of travel by outreach workers, social workers, medical professionals, or other service providers are eligible, provided that this travel takes place during the provision of services eligible under this section. The costs of transporting unsheltered people to emergency shelters or other service facilities are also eligible. These costs include the following:
- (i) The cost of a program participant's travel on public transportation;
  - (ii) If service workers use their own vehicles, mileage allowance for service workers to visit program participants;
  - (iii) The cost of purchasing or leasing a vehicle for the Grantee in which staff transports program participants and/or staff serving program participants, and the cost of gas, insurance, taxes, and maintenance for the vehicle; and
  - (iv) The travel costs of Grantee staff to accompany or assist program participants to use public transportation.
- f. *Services to Special Populations.* ESG funds may be used to provide services for homeless youth, victim services, and services for people living with HIV/AIDS, so long as the costs of providing these services are eligible under paragraphs (a) through (e) of this section. The term victim services means services that assist program participants who are victims of domestic violence, dating violence, sexual assault, or stalking, including services offered by rape crisis centers and domestic violence shelters, and other organizations with a documented history of effective work concerning domestic violence, dating violence, and sexual assault, or stalking.
2. ***Emergency Shelter:*** Funds may be used to cover the costs of providing essential services to homeless families and individuals in emergency shelters and operational expenses of emergency shelters.
- Eligible Participants:*** Individuals and families who qualify as homeless under Categories 1, 2, 3 and 4 of HUD's Definition of "Homeless".
- Allowable Activities:***
- a. *Essential Services.* This includes services concerned with employment, health, drug abuse, education and staff salaries necessary to provide these services and may include, but are not limited to:

- (i) *Case Management.* The cost of assessing, arranging, coordinating, and monitoring the delivery of individualized services to meet the needs of the program participant is eligible. Component services and activities consist of:
  - (A) Using the centralized or coordinated assessment system as required under §576.400(d);
  - (B) Conducting the initial evaluation required under §576.401(a), including verifying and documenting eligibility;
  - (C) Counseling;
  - (D) Developing, securing, and coordinating services and obtaining Federal, State and local benefits;
  - (E) Monitoring and evaluating program participant progress;
  - (F) Providing information and referrals to other providers;
  - (G) Providing ongoing risk assessment and safety planning with victims of domestic violence, dating violence, sexual assault, and stalking; and
  - (H) Developing an individualized housing and service plan, including planning a path to permanent housing stability.
- (ii) *Child Care.* The costs of child care for program participants, including providing meals and snacks, and comprehensive and coordinated sets of appropriate developmental activities, are eligible. The children must be under the age of 13, unless they are disabled. Children with disabilities must be under the age of 18. The child-care center must be licensed by the jurisdiction in which it operates in order for its costs to be eligible.
- (iii) *Education Services.* When necessary for the program participant to obtain and maintain housing, the costs of improving knowledge and basic educational skills are eligible. Services include instruction or training in consumer education, health education, substance abuse prevention, literacy, English as a Second Language, and General Educational Development (GED). Component service or activities are screening, assessment and testing; individual or group instruction; tutoring; provision of books, supplies and instructional material; counseling; and referral to community resources.
- (iv) *Employment Assistance and Job Training.* The costs of employment assistance and job training programs are eligible, including classroom, online, and/or computer instruction; and services that assist individuals in securing employment, acquiring learning skills, and/or increasing earning potential. The cost of providing reasonable stipends to program participants in employment assistance and job training programs is an eligible cost. Learning skills include those skills that can be used to secure and retain a job, including the acquisition of vocational licenses and/or certificates. Services that assist individuals in securing employment consist of employment screening, assessment, or testing; structured job skills and job-seeking skills; special training and tutoring, including literacy training and prevocational training; books and instructional material; counseling or job coaching; and referral to community resources.

- (v) *Outpatient Health Services.* Eligible costs are for the direct outpatient treatment of medical conditions and are provided by licensed medical professionals. Emergency Solutions Grant (ESG) funds may be used only for these services to the extent that other appropriate health services are unavailable within the community. Eligible treatment consists of assessing a program participant's health problems and developing a treatment plan; assisting program participants to understand their health needs; providing directly or assisting program participants to obtain appropriate medical treatment, preventive medical care, and health maintenance services; including providing medication and follow-up services; and providing preventive and noncosmetic dental care.
- (vi) *Legal Services.*
  - (A) Eligible costs are the hourly fees for legal advice and representation by attorneys licensed and in good standing with the bar association of the State in which the services are provided, and by person(s) under the supervision of the licensed attorney, regarding matters that interfere with the program participant's ability to obtain and retain housing.
  - (B) ESG funds may be used only for these services to the extent that other appropriate legal services are unavailable or inaccessible within the community.
  - (C) Eligible subject matters are child support, guardianship, paternity, emancipation, and legal separation, orders of protection and other civil remedies for victims of domestic violence, dating violence, sexual assault, and stalking, appeal of veterans and public benefit claim denials, and the resolution of outstanding criminal warrants.
  - (D) Component services or activities may include client intake, preparation of cases for trial, provision of legal advice, representation at hearings, and counseling. (E) Fees based on the actual service performed (i.e., fee for service) are also eligible, but only if the cost would be less than the cost of hourly fees. Filing fees and other necessary court costs are also eligible. If the Grantee is a legal services provider and performs the services itself, the eligible costs are the Grantee's employees' salaries and other costs necessary to perform the services.
  - (F) Legal services for immigration and citizenship matters and issues relating to mortgages are ineligible costs. Retainer fee arrangements and contingency fee arrangements are ineligible costs.
- (vii) *Life Skills Training.* The costs of teaching critical life management skills that may never have been learned or have been lost during the course of physical or mental illness, domestic violence, substance use, and homelessness are eligible costs. These services must be necessary to assist the program participant to function independently in the community. Component life skills training are budgeting resources, managing money, managing a household, resolving conflict, shopping for food and needed items, improving nutrition, using public transportation, and parenting.

(viii) *Mental Health Services.*

- (A) Eligible costs are the direct outpatient treatment by licensed professionals of mental health conditions.
- (B) ESG funds may only be used for these services to the extent that other appropriate mental health services are unavailable or inaccessible within the community.
- (C) Mental health services are the application of therapeutic processes to personal, family, situational, or occupational problems in order to bring about positive resolution of the problem or improved individual or family functioning or circumstances. Problem areas may include family and marital relationships, parent-child problems, or symptom management.
- (D) Eligible treatment consists of crisis interventions; individual, family, or group therapy sessions; the prescription of psychotropic medications or explanations about the use and management of medications; and combinations of therapeutic approaches to address multiple problems.

(ix) *Substance Abuse Treatment Services.*

- (A) Eligible substance abuse treatment services are designed to prevent, reduce, eliminate, or deter relapse of substance abuse or addictive behaviors and are provided by licensed or certified professionals.
- (B) ESG funds may only be used for these services to the extent that other appropriate substance abuse treatment services are unavailable or inaccessible within the community.
- (C) Eligible treatment consists of client intake and assessment, and outpatient treatment for up to 30 days. Group and individual counseling and drug testing are eligible costs. Inpatient detoxification and other inpatient drug or alcohol treatment are not eligible costs.

(x) *Transportation.* Eligible costs consist of the transportation costs of a program participant's travel to and from medical care, employment, child care or other eligible essential services facilities. These costs include the following:

- (A) The cost of a program participant's travel on public transportation;
- (B) If service workers use their own vehicles, mileage allowance for service workers to visit program participants;
- (C) The cost of purchasing or leasing a vehicle for the Grantee in which staff transports program participants and/or staff serving program participants, and the cost of gas, insurance, taxes, and maintenance for the vehicle; and
- (D) The travel costs of Grantee staff to accompany or assist program participants to use public transportation.

(xi) *Services for Special Populations.* ESG funds may be used to provide services for homeless youth, victim services, and services for people living with HIV/AIDS, so long as the costs of providing these services are eligible under paragraphs (a)(1)(i) through (a)(1)(x) of this section. The term victim services means

services that assist program participants who are victims of domestic violence, dating violence, sexual assault, or stalking, including services offered by rape crisis centers and domestic violence shelters, and other organizations with a documented history of effective work concerning domestic violence, dating violence, sexual assault, or stalking.

- b. ***Operations.*** Eligible costs are the costs of maintenance (including minor or routine repairs), rent, security, fuel, equipment, insurance, utilities, food, furnishings, and supplies necessary for the operation of the emergency shelter. Where no appropriate emergency shelter is available for a homeless family or individual, eligible costs may also include a hotel or motel voucher for that family or individual.

Prohibition against involuntary family separation. The age of a child under age 18 must not be used as a basis for denying any family's admission to an emergency shelter that uses ESG funding or services and provides shelter to families.

**Expenditures limits of combined Street Outreach and Emergency Shelter services cannot exceed 60% of the entire ESG allocation. THDA reserves the right to adjust applicants' budgets if needed to remain within this requirement.**

3. ***Prevention Activities:*** Activities related to preventing persons from becoming homeless and to assist participants in regaining stability in their current or other permanent housing.

***Eligible Participants:*** Extremely low-income individuals and families with household incomes of at or below 30% of Area Median Income who qualify as homeless under Categories 2, 3 and 4 of HUD's Definition of "Homelessness" or any category of HUD's Definition of "At Risk of Homelessness".

4. ***Rapid Re-Housing Activities:*** Activities related to help a homeless individual or family to move into permanent housing.

***Eligible Participants:*** Individuals and families who meet HUD's definition of "Homeless" under Categories 1 and 4.

***Allowable Activities for Prevention and Rapid Re-Housing:***

- a. ***Financial Assistance*** – ESG funds may be used to pay housing owners, utility companies, and other third parties for the following costs:

- (i) **Rental application fees.** ESG funds may pay for the rental housing application fee that is charged by the owner to all applicants.
- (ii) **Security deposits.** ESG funds may pay for a security deposit that is equal to no more than 2 months' rent.
- (iii) **Last month's rent.** If necessary to obtain housing for a program participant, the last month's rent may be paid from ESG funds to the owner of that housing at the time the owner is paid the security deposit and the first month's rent. This assistance must not exceed one month's rent and must be included in calculating the program participant's total rental assistance, which cannot exceed 24 months during any 3-year period.

- (iv) **Utility deposits.** ESG funds may pay for a standard utility deposit required by the utility company for all customers for the utilities listed in paragraph (5) of this section.
  - (v) **Utility payments.** ESG funds may pay for up to 24 months of utility payments per program participant, per service, including up to 6 months of utility payments in arrears, per service. A partial payment of a utility bill counts as one month. This assistance may only be provided if the program participant or a member of the same household has an account in his or her name with a utility company or proof of responsibility to make utility payments. Eligible utility services are gas, electric, water, and sewage. No program participant shall receive more than 24 months of utility assistance within any 3-year period.
  - (vi) **Moving costs.** ESG funds may pay for moving costs, such as truck rental or hiring a moving company. This assistance may include payment of temporary storage fees for up to 3 months, provided that the fees are accrued after the date the program participant begins receiving assistance under paragraph (b) of this section and before the program participant moves into permanent housing. Payment of temporary storage fees in arrears is not eligible.
- b. **Service Costs.** ESG funds may be used to pay the costs of providing the following services:
- (i) ***Housing search and placement.*** Services or activities necessary to assist program participants in locating, obtaining, and retaining suitable permanent housing, include the following:
    - (A) Assessment of housing barriers, needs and preferences;
    - (B) Development of an action plan for locating housing;
    - (C) Housing search;
    - (D) Outreach to and negotiation with owners;
    - (E) Assistance with submitting rental applications and understanding leases;
    - (F) Assessment of housing for compliance with ESG requirements for habitability, lead-based paint, and rent reasonableness;
    - (G) Assistance with obtaining utilities and making moving arrangements; and
    - (H) Tenant counseling.
  - (ii) ***Housing stability case management.*** ESG funds may be used to pay cost of assessing, arranging, coordinating, and monitoring the delivery of individualized services to facilitate housing stability for a program participant who resides in permanent housing or to assist a program participant in overcoming immediate barriers to obtain housing. This assistance cannot exceed 30 days during the period the program participant is seeking permanent housing and cannot exceed 24 months during the period the program participant is living in permanent housing. Component services and activities consist of:

- A. Using the centralized or coordinated assessment system as required under §576.400(d) to evaluate individuals and families applying for or receiving homeless prevention or rapid re-housing assistance;
  - (B) Conducting the initial evaluation required under §576.401(a), including verifying and documenting eligibility, for individuals and families applying for homelessness prevention or rapid re-housing assistance.
  - (C) Counseling
  - (D) Developing, securing, and coordinating services and obtaining Federal, State, and local benefits;
  - (E) Monitoring and evaluating program participant progress;
  - (F) Providing information and referrals to other providers;
  - (G) Developing an individualized housing and service plan, including planning a path to permanent housing stability; and
  - (H) Conducting re-evaluations required under §576.401(b).
- (3) *Mediation.* ESG funds may pay for mediation between the program participant and the owner of person(s) with whom the program participant is living, provided that the mediation is necessary to prevent the program participant from losing permanent housing in which the program participant currently resides.
  - (4) *Legal Services.* ESG funds may pay for legal services, as set forth in §576.102(a)(1)(vi), except that the eligible subject matters also include landlord/tenant matters, and the services must be necessary to resolve a legal problem that prohibits the program participant from obtaining permanent housing or will likely result in the program participant losing the permanent housing in which the program participant currently resides.
  - (5) *Credit Repair.* ESG funds may pay for credit counseling and other services necessary to assist program participants with critical skills related to household budgeting, managing money, accessing a free personal credit report, and resolving personal credit problems. This assistance does not include the payment or modification of a debt.

The Grantee may set a maximum dollar amount that a program participant may receive for each type of financial assistance. The Grantee may also set a maximum period for which a program participant may receive any of the types of assistance or services.

Financial assistance cannot be provided to a program participant who is receiving the same type of assistance through other public sources.

c. Short and Medium Term Rental Assistance Requirements and Restrictions

- (i) Compliance with FMR (Fair Market Rents) and Rent Reasonableness;
- (ii) For purposes of calculating rent, the rent must equal the sum of the total rent, any fees required for rental (excluding late fees and pet deposits), and, if the tenant pays separately for utilities (excluding telephone) the monthly allowance for

utilities as established by the public housing authority for the area in which the housing is located;

- (iii) Compliance with minimum habitability standards;
- (iv) Tenant based rental assistance means that participants select a housing unit in which to live and receive rental assistance. Project based rental assistance means that grantees identify permanent housing units that meet ESG requirements and enter into a rental assistance agreement with the owner to reserve the unit and subsidize it so that eligible program participants have access to the unit;
- (v) A standard and legal lease must be in place;
- (vi) No rental assistance can be provided to a household receiving assistance from another public source for the same time period (with the exception of rental arrears); and
- (vii) Participants must meet with a case manager at least monthly for the duration of the assistance (participants who are victims of domestic violence are exempt if meeting would increase the risk of danger to client).
- (viii) The Grantee must develop an individualized plan to help the program participant remain in permanent housing after the ESG assistance ends.
- (ix) The Grantee must make timely payments to each owner in accordance with the rental agreement. The Grantee is solely responsible for paying late payment penalties that it incurs with non-ESG funds.

- 5. ***Homeless Management Information System (HMIS):*** Eligible costs include hardware; software; equipment costs; staffing for operating HMIS data collection, monitoring and analysis; reporting to the HMIS Lead Agency; training on HMIS use; and obtaining technical support. Domestic violence agencies may use HMIS funds may also pay for costs in obtaining and operating a comparable data collection program to HMIS, including user fees, software, equipment, training, and maintenance.

Local government recipients may distribute all or a part of their ESG funds to eligible, private 501(c)(3) or 501(c)(4) non-profit organizations for allowable ESG activities.

**For each of the eligible activities, THDA reserves the right to adjust funding requests to remain within the required percentages.**

#### **E. INELIGIBLE ACTIVITIES**

- 1. ***Under Street Outreach Services,*** ESG funds may not be used for the following:
  - a. Emergency medical and/or mental health services accessible or available within the area under an existing program; and
  - b. Maintenance of existing services already being provided within the past 12 months prior to funding.

2. *Under Emergency Shelter Services*, ESG may not be used for the following:
  - a. Acquisition of real property;
  - b. New construction or rehabilitation of an emergency shelter for the homeless;
  - c. Property clearance or demolition;
  - d. Staff training or fund raising activities;
  - e. Salary of case management supervisor when not working directly on participant issues;
  - f. Advocacy, planning, and organizational capacity building;
  - g. Staff recruitment and/or training
  - h. Transportation costs not directly associated with service delivery.
  - i. Recruitment or on-going training of staff;
  - j. Depreciation;
  - k. Costs associated with the organization rather than the supportive housing project (advertisements, pamphlets about the agency, surveys, etc.)
  - l. Staff training, entertainment, conferences or retreats;
  - m. Public relations or fund raising;
  - n. Bad debts or bank fees; and
  - o. Mortgage payments.
3. *Under Prevention and Rapid-Rehousing Activities*, ESG funds may not be used for the following:
  - a. Mortgage loan payments;
  - b. Pet deposits;
  - c. Late fees incurred if grantee does not pay agreed rental subsidy by agreed date;
  - d. Payment of temporary storage fees in arrears;
  - e. Payment of past debt not related to rent or utility; and
  - f. Financial assistance to program participants who are receiving the same type of assistance through other public sources or to a program participant who has been provided with replacement housing payments under URA during the same time period.
4. *Under HMIS*: Grantees that are not compliant with HUD's standards on participation, data collection, and reporting under a local HMIS will not be eligible for reimbursement for HMIS activities.

#### **F. MATCHING FUNDS**

The ESG program requires a dollar for dollar match for the ESG funds. Each application must contain **PART VIII: Certification of Matching Funds**. All Grantees must supplement their ESG funds with equal amounts of funds or in-kind support from non-ESG sources. Certain other federal grants contain language that may prohibit their being used as a match. Matching funds or in-kind support must be

provided after the date of the grant award to the Grantee and within the period of the ESG contract with THDA. The Grantee may not include funds used to match any previous ESG grant.

**G. OTHER FEDERAL REQUIREMENTS**

1. **NON-DISCRIMINATION AND EQUAL OPPORTUNITY.** – Grantees must make facilities and services available to all on a nondiscriminatory basis, and publicize the facilities and services. The procedures a Grantee uses to convey the availability of such facilities and services should be designed to reach persons with disabilities or persons of any particular race, color, religion, sex, age, familial status, or national origin within their service area who may qualify for them. If not, the Grantee must establish additional procedures that will ensure that these persons are made aware of the facilities and services. Grantees must adopt procedures to disseminate information to anyone who is interested regarding the existence and location of services or facilities that are accessible to individuals with disabilities.

Grantees must also comply with the requirements of 24 CFR Parts 5, 200, 203, et al Equal Access to Housing in HUD Programs Regardless of Sexual Orientation or Gender Identity. The regulation is available at <http://www.gpo.gov/fdsys/pkg/FR-2012-02-03/pdf/2012-2343.pdf>. Grantees should include in their ESG standards a written policy for Fair Housing to all persons and/or families regardless of sexual orientation, gender identity or family identification.

2. **LEAD BASED PAINT.** - Housing assisted with ESG funds is subject to the Lead-Based Paint Poisoning Prevention Act and the Act's implementing regulations at 24 CFR Part 35, Subparts C through M for any building constructed prior to 1978. Grantees using ESG funds only for essential services and operating expenses must comply with Subpart K to eliminate as far as practical lead-based paint hazards in a residential property that receives federal assistance for acquisition, leasing, support services or operation activities.
3. **PROPERTY MANAGEMENT STANDARDS.** – Grantees are required to follow uniform standards for using and disposing of capital improvements and equipment. Equipment is defined as having a useful life of one year and a per unit value of \$5,000 or more.
4. **RELOCATION AND DISPLACEMENT.** – Grantees are required to take reasonable steps to minimize the displacement of persons, families, individuals, businesses, non-profit organizations or farms as a result of administering projects funded through ESG. Any persons displaced by the acquisition of property must be provided with relocation assistance (24 CFR 576.59).
5. **ENVIRONMENTAL REVIEW.** - In implementing the ESG program, the environmental effects of each activity must be assessed in accordance with the provisions of the National Environment Policy Act of 1969 (NEPA) and the related authorities listed in HUD's regulations at 24 CFR Part 58. THDA as the Responsible Entity and the units of local government funded by THDA will be responsible for carrying out environmental reviews.

THDA will review the release of funds for local governments and must request the release of funds from HUD for any projects of non-profit organizations. The non-profit organizations will be responsible for gathering the information required for the environmental reviews. ESG funds cannot be committed until the environmental review process has been completed. Commitments for expenditures made prior to the approval of the environmental review cannot be reimbursed with ESG funds.

6. CONFLICT OF INTEREST. - Each ESG Grantee must adopt a conflict of interest policy which prohibits any employee, persons with decision making positions or having information about decisions made by an organization, from obtaining a personal or financial interest or benefit from the organization's activity, including through contracts, subcontracts, or agreements. (24 CFR 576.57).
7. ASBESTOS. - Prior to renovation, Tennessee State law requires an asbestos inspection for any structure that is not a residential building having four or fewer dwelling units. The costs of asbestos removal may be included in the grant request.
8. CONTRACTUAL AGREEMENT. - All Grantees must enter into a contractual agreement with TIIDA. This Working Agreement includes all requirements contained in the ESG Interim Rule (24 CFR Part 576 and 91) in addition to all other applicable rules and regulations. The Working Agreement will include, but is not limited to the following:
  - a. BUILDING STANDARDS. - Grantees must ensure that any building for which ESG funds are used for meets the local government standards for safety and sanitation.
  - b. CERTIFICATION OF ASSISTANCE. - Grantees must certify that on-going assistance will be provided to homeless individuals in obtaining appropriate supportive services, including permanent housing, medical and mental health treatment, counseling, supervision and other services essential for achieving independent living and other federal, state local and private assistance available for such persons.
  - c. CONFIDENTIALITY. - Grantees must develop procedures to ensure the confidentiality of victims of domestic violence.
  - d. DRUG AND ALCOHOL-FREE FACILITIES. - Grantees must administer a policy designed to ensure that each assisted homeless facility is free from the illegal use, possession or distribution of drugs or alcohol by its beneficiaries.
  - e. CLIENT PARTICIPATION. - Grantees must involve the homeless individuals and families in the maintenance and operation of facilities, and in the provision of services to residents of these facilities to the maximum extent possible. The involvement of homeless persons is required through the Housing and Community Development Act of 1992.
  - f. PROCUREMENT PROCEDURES. - Each ESG Grantee must have an appropriate procurement procedure in place. At a minimum, three telephone bids must be obtained for any equipment or furniture purchases to be charged totally or in part to ESG.
  - g. FAIR HOUSING. - All ESG Grantees must perform and document action in the area of enforcement and/or promotion to affirmatively further fair housing. During the grant year Grantees must carry out a minimum of one activity to promote fair housing. Non-discrimination and equal opportunity are applicable to ESG programs (24 CFR 5.105(a) as amended).
  - h. TERMINATING ASSISTANCE. - All ESG Grantees must have a formal process for terminating assistance to an individual or family. At a minimum, there must be an appeals

procedure with one level of administrative review for clients who are evicted or refused service from the facility for any reason.

- i. **REPORTING REQUIREMENTS.** - Each ESG Grantee must complete periodic reporting forms as required by THDA.
- j. **HMIS PARTICIPATION.** - All ESG Grantees must certify that they will fully utilize the Homelessness Management Information System (HMIS) for the Continuum of Care in which the assistance is delivered. While Grantees must work with their local HMIS administrator, please note that different areas within the state may use different systems and/or system administrators. The Grantee should work with their local CoC to coordinate HMIS access and technical assistance. The ESG Grantee assumes full responsibility for all reporting to THDA. Please check the following website for local CoC contact information and for information on the geographic areas covered by each CoC: <http://thda.org/business-partners/csg>. Please note that domestic violence programs are exempt from the HMIS requirement; however they will be required to provide aggregate data for ESG reporting purposes.
- k. **COORDINATED ENTRY.** - All Grantees must participate in the Coordinated Entry process of the Continuum of Care in which services are delivered. Grantees serving multiple Continuums of Care must participate in each Coordinated Entry process established by each CoC.
- l. **SERVING FAMILIES WITH CHILDREN.** - Organizations that use ESG funds for emergency shelter to families with children under the age of 18 shall not deny admission to any family based on the age of any child under age 18. Providing these families with stays in a hotel/motel or other off-site facility does not suffice. If the Grantee's facility serves families, provisions must be made for the facility to accommodate all families.

#### **H. APPLICATION AND EVALUATION PROCEDURE**

THDA will evaluate each application to determine if the proposal meets threshold criteria. Threshold criteria includes: submission of a complete application; proposal of an eligible activity; proposal of a project that meets the requirements of the ESG Interim Rule (24 CFR Part 576 and 91); Written ESG Standards, Habitability Standards, Confidentiality and Privacy Policies; and compliance and participation with the applicable Continuum of Care. Additional requirements for non-profit organizations are included in the application at **Part V: Non-Profit Checklist** and **Part VI: Non-Profit Board Composition**. Documentation must be submitted along with the completed Checklist to demonstrate that the organization meets threshold requirements and has the capacity to provide shelter, essential services and/or operations for programs serving the homeless. Applications meeting the threshold criteria will be scored and ranked in descending numerical order.

#### **Key Applicant Eligibility Factors**

- Eligible non-profit agency or unit of general local government
- No outstanding findings or other issues from any program operated by THDA.
- Experienced homeless services/prevention provider

- Must be able to meet recordkeeping and reporting requirements, including HMIS utilization
- Must be able to meet HMIS requirements or, if a domestic violence program provider, a comparable database that collects client level data over time and generates unduplicated aggregate reports based on the data.
- Must be certified by local Continuum of Care Lead Agency as a participating member
- Must receive a Certification of Consistency with the Consolidated Plan if seeking funding for an emergency shelter and serving a community in which a Consolidated Plan is prepared locally
- Must receive local government approval if a nonprofit entity seeking funding to provide emergency shelter using ESG resources
- Must submit ESG Written Standards

**ESG COMPETITIVE ALLOCATION RATING SCALE****100 POINTS****1. PROGRAM DESIGN****UP TO 25 POINTS**

The proposed program design demonstrates exceptional planning, readiness and administrative capability. All necessary components to accomplish the project have been identified in the application. Program administrators and qualified staff have been identified. Project is reasonable and expenses are allowable by category funded. Project meets objectives of the local Continuum of Care. Program does not include excessive barriers to serving individuals who are homeless.

**2. APPLICANT CAPACITY****UP TO 25 POINTS**

Documentation of applicant's administrative capacity to administer the ESG program and experience with grant funding; documentation of applicant's experience in serving the homeless in their community and assisting clients in maintaining permanent housing; Documentation of adequate knowledgeable staff and/or volunteers; documentation of board members' involvement; and documentation of applicant's knowledge and use of community resources.

**3. FISCAL INFORMATION****UP TO 25 POINTS**

Completeness of budget. Clear and specific documentation of match, source(s) and level of committed cash match. Letters of support, documentation of real value of buildings or donations intended for match.

**4. PERFORMANCE****UP TO 15 POINTS**

THDA will award 10 points to applications for projects focused on Rapid Re-Housing activities by applicants who have experience in providing these activities in accordance with HUD's guidelines. Consideration will be given to lack of other resources for rapid re-housing services in target areas.

THDA will award up to 15 points based on the applicant's past performance with grant administration and policy compliance, including: submission of accurate monthly draws, timely response to requests for information or documentation, percentage of drawdown of previous THDA funds, past monitoring and compliance in ESG requirements. THDA will evaluate current ESG grantees based on the total funds drawn as of February 29, 2016. New applicants will be given the average score of all applicants with existing ESG grants.

**5. COORDINATION WITH COC PRIORITIES****UP TO 10 POINTS**

THDA will award up to 10 points for an application that meets the priorities established by the applicable Continuum of Care. This includes prioritizing activities and subpopulations that have been identified by the CoC as the greatest need.

## **APPENDIX F:**

### **SOCIAL MEDIA MARKETING**

STATE OF TENNESSEE  
FY 2016-17 ANNUAL ACTION PLAN

**Tennessee Housing Development Agency**

This is your chance to speak up and give your input on the State of Tennessee's Annual Action Plan which serves as the State's application for four federal housing programs:

- Community Development Block Grant (CDBG)
- HOME Investment Partnerships Program (HOME)
- Emergency Solutions Grant (ESG)
- Housing Opportunities for Persons Living with AIDS (HOPWA)

THDA uses your public comments to modify and improve the Annual Action Plan before submitting it to the U.S. Department of Housing and Urban Development (HUD). You have until May 1, 2016, to share your thoughts and recommendations with us here:



**Public Notice and Comment**

Review the FYE 2017 State of Tennessee Annual Action Plan and make your comments here

THDA.ORG

Home Moments Search Filter View on desktop Log out

**THDA** 2,108 45 1,001 32 4 Follow

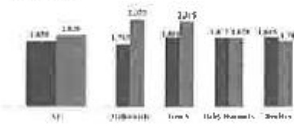
**THDA** Tennessee's annual application for four federal housing programs is now up for public comment. Review & comment at this link: [tchda.org](#)

**THDA Retweeted** **Rotary** Thanks Franklin Rotary for the chance to talk about affordable housing and THDA's work in Warren County.

**THDA Retweeted** **REALTOR® Magazine** The majority of buyers work a home with about 0% more space than they currently have. [bit.ly/1A6WDR](#)

**Home Size** (March 2015)

How much more space do you need?



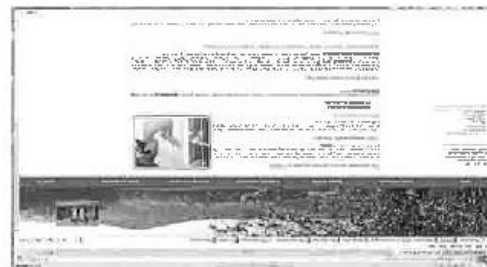
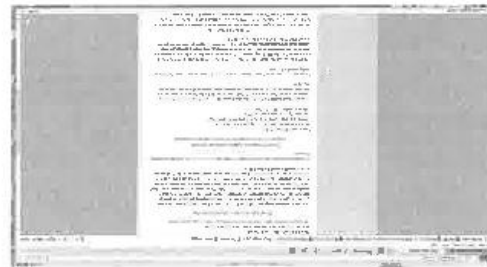
Home Type	Percentage
All	100%
Single-Family	100%
Town	100%
Multi-Family	100%
Condo	100%

**APPENDIX G:**  
**PUBLIC NOTICES**

STATE OF TENNESSEE  
FY 2016-17 ANNUAL ACTION PLAN







## NOTICE

The Tennessee Housing Development Agency (THDA) completed a draft of the Annual Action Plan for the State of Tennessee. The plan is submitted annually to the U.S. Department of Housing and Urban Development and citizens are given an opportunity to review and make comments on information contained in the plan. A summary of the plan is available for review and public comment at [www.thda.org](http://www.thda.org). Select "Public Notices and Comments" under "About THDA". The plan will also be available for review at the nine Development Districts of Tennessee. Locations of the nine Development Districts are available on the Tennessee Development District Association website at [www.tennesseedevelopmentdistricts.org](http://www.tennesseedevelopmentdistricts.org). Written comments via electronic submission on the THDA website will be accepted from April 1 to May 1, 2016.

For language assistance, please click the Español button on [www.thda.org](http://www.thda.org) for translation in multiple languages.

## AVISO

La Agencia para el Desarrollo de la Vivienda de Tennessee (THDA, *Tennessee Housing Development Agency*) ha completado una versión preliminar del Plan de Acción Anual para el Estado de Tennessee. El plan es presentado anualmente al Departamento de Vivienda y Desarrollo Urbano de EE.UU., y los ciudadanos tienen oportunidad de revisarlo y hacer comentarios acerca de la información contenida en el plan. El 1 de abril de 2016, el plan estará disponible para su revisión y comentarios por parte del público en [www.thda.org](http://www.thda.org). Seleccione "*Public Notices and Comments*" bajo "*About THDA*" (si presiona el botón para convertirlo en Español, seleccione "Avisos y comentarios públicos Foros" bajo "Acerca de THDA"). El plan también estará disponible para su revisión en los nueve Distritos de Desarrollo de Tennessee. Ubicaciones de los nueve Distritos están disponibles por internet, en el sitio de web de la Asociación de Desarrollo de Distritos de Tennessee, en [www.tennesseedevelopmentdistricts.org](http://www.tennesseedevelopmentdistricts.org). Se aceptarán comentarios por escrito que sean presentados electrónicamente a través del sitio de web del THDA, por internet, del 1 de abril al 1 de mayo de 2016.

## بيان

لقد إنتهت "وكالة تينيسي لتنمية الإسكان" (THDA, Tennessee Housing Development Agency) من العمل على مسودة خطة العمل السنوية لولاية تينيسي. وهذه الخطة مقدمة سنوياً لـ"وزارة الإسكان والتنمية الحضرية الأمريكية" (U.S. Department of Housing and Urban Development)، ويُعطى المواطنون فرصة الإطلاع على المعلومات المتضمنة في خطة وتقديم التعليقات عليها. ومسودة الخطة متوفرة لإطلاع وتعليق الجمهور العام عليها على [www.thda.org](http://www.thda.org). يرجى إختيار "Public Notices and Comments" في أسفل "About THDA", كما ستكون الخطة متوفرة للإطلاع عليها لدى "مقاطعات تنمية تينيسي" (Development Districts of Tennessee) التسع. ومواقع مقاطعات التنمية التسع مدرجة على [www.tennesseedevelopmentdistricts.org](http://www.tennesseedevelopmentdistricts.org). وسيتم القبول بالتعليقات الخطية عبر تقديمها إلكترونياً على موقع THDA من 1 أبريل/نيسان حتى 1 مايو/أيار 2016.

#### ئاڭگادارى

"دەزىڭاي پەرەپىندانى ئىشەنچىۋېلى ئېنىقلى (The Tennessee Housing Development Agency, THDA)" رەئىسلىق پىلانى كارى سالاندى، ولايەتنى ئېنىقلى ئەواۋ كىرد. ئەم پىلانە بەشىۋەدىكى مالىئە چىشكەش دەكرىت بە "ۋەزارەتنى پەرەپىندانى ئىشار ۋ ئىشەنچى بويى لىمىركا (U.S. Department of Housing and Urban Development)" ۋە ھازىراتىان دەركەتنى ئىدەرەپان پىندەدرىت كۆمىتنى خۇيان بىدەن لىمىر ئەم زانبارىنەنى لىم ئاۋ ئەم پىلانەدا ھەپە. كۆرتەپەك لىم پىلانە ھەپە بىز پىندەچۈندە ۋ كۆمىتنى ھازىراتىان لىم ساپى [www.thda.org](http://www.thda.org) تىكاپە "Public Notice and Comment" لىم زىر "About THDA" ھەلپۇتەر. ھەروەدا ئەم پىلانە ھەپە بىز پىندەچۈندە لىم ئۆ ئاۋچەنى پەرەپىندانى ئېنىقلى. شۇنەكەنى ئۆ ئاۋچەنى پەرەپىندان ھەپە لىم ساپى كۆمەلەنى ئاۋچەنى پەرەپىندانى ئېنىقلى لىم [www.tennesseedevelopmentdistricts.org](http://www.tennesseedevelopmentdistricts.org). كۆمىتنى ئوسراۋ لىمىڭى ئەندەر ئىت لىم ساپى THDA ۋەردەگىرەت لىم 1 ى ئىسان تا 1 مايسى 2016.

## OBAVJEŠTENJE

Agencija za stambeni razvoj države Tenesi (Tennessee Housing Development Agency, THDA) završila je prijedlog Godišnjeg plana aktivnosti za državu Tenesi. Plan se dostavlja godišnje Ministarstvu stanovanja i urbanog razvoja SAD a građanima se pruža prilika da pregledaju i iznesu primjedbe na informacije sadržane u planu. Sažetak plana dostupan je za pregled i javne primjedbe na [www.thda.org](http://www.thda.org). Odaberite „*Public Notices and Comments*” (Javna obavještenja i primjedbe) pod „*About THDA*” (O THDA). Plan će takođe biti dostupan za pregled u devet razvojnih okruga države Tenesi. Lokacije devet razvojnih okruga dostupne su na veb-sajtu Udruženja za razvojne okruge države Tenesi (*Tennessee Development District Association*) na [www.tennesseedevelopmentdistricts.org](http://www.tennesseedevelopmentdistricts.org). Pisane primjedbe poslate elektronski na veb-sajt THDA prihvataće se od 1. aprila do 1. maja 2016.

#### تأیید و هدایت

“دو دهه‌ها پدیده‌های ناکسجی یوتا تیلرسی (THDA, The Tennessee Housing Development Agency)” ره‌شلو‌س‌د‌کا پلانا شولا سالانی بو ویلایه‌ت تیلرسی تمام کرد. وی پلانی ب تاواید‌کا سالانه ده‌تد پت‌ش‌کت‌ش‌ گران بو “وه‌زاره‌تا پدیده‌یادانا باژت‌ر و لا‌ک‌نجی یوتا تیلرسی (U.S. Department of Housing and Urban Development)” و ده‌لیف ده‌تد‌دان بو هافلایان داکو کز‌میت و تیلرسی خوره‌لس‌ور وی پتران‌بان کو لئازی وی پلانی ده‌تد بن‌فیس‌ن. وی پلان ده‌تد ل سا‌تا [www.thda.org](http://www.thda.org) بو موره‌ها موراجعه‌کرن و تیلرسی هافلایان. هیلید “Public Notice and Comment” ل بن “About THDA” هملی‌یری. هوره‌سا وی پلانی ده‌تد بو موراجعه‌کرن ل نو نال‌جیدی پدیده‌یادانا تیلرسی. جه‌تن نو نال‌جیدی پدیده‌یادانا ده‌تد ل سا‌تا کز‌مدی نال‌جیدی پدیده‌یادانا تیلرسی ل [www.tennesseecevelopmentdistricts.org](http://www.tennesseecevelopmentdistricts.org). کومیتین نظیرای بریکا نده‌ن‌ریت ل سا‌تا THDA ده‌تد وهر‌گرتن ل 1 مه‌ها لی‌سالی ده‌تا 1 مه‌سا 2016.

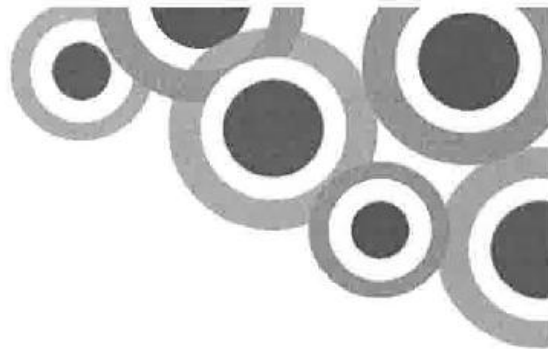
## OGEYSIIS

Wakaaladda Horumarinta Guryaha ee Tennessee [The Tennessee Housing Development Agency (THDA)] waxay dhamaystirtay qabyo qoraal ah Qorshaha Tallaabada Sanadlaha ee Gobolka Tennessee. Qorshahan sanadlaha ah ayaa waxaa loo gudbiyaa Waaxda Guryaha iyo Horumarinta Magaalooyinka Mareykanka [the U.S. Department of Housing and Urban Development] oo muwaadiniinta waxaa la siiyay fursad ay dib ugu fiirinnayaan oo ayna faallo uga bixiyaan macluumaadka ku qoran qorshaha. Gunaanudka qorsha waxaad ka aqrisan kartaa oo dacka ay faallo uga bixin karaan bogga internetka oo ah [www.thda.org](http://www.thda.org). Dooro "Ogysiiyada Dadweynaha iyo Faallooyin" [Public Notices and Comments] oo hoostimaada "THDA ku Saabsan" [About THDA]. Sidoo kale qorshaha waxaad ka heli kartaa oo aad ka aqrisan kartaa xarunta sagaalaad ee Horumarinta Degmooyinka Tennessee (Development Districts of Tennessee). Goobaha sagaal ee Horumarinta Degmooyinka waxaad ka heli kartaa bogga internetka ee Ururka Degmada ee Horumarinta Tennessee oo ah [www.tennesseedevelopmentdistricts.org](http://www.tennesseedevelopmentdistricts.org). Faallooyinka oo qoraalka ah oo dhanka elektaroonigga ah lagu soo gudbiyo bogga internetka ee THDA waxaan ogolaan doonaa laga bilaabo 1 Abriil ilaa iyo 1 Maajo, 2016.

**Morgan Mansa**

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**From:** TN Housing Development Agency <mmansa@thda.org>  
**Sent:** Monday, April 04, 2016 2:34 PM  
**To:** Morgan Mansa  
**Subject:** TN 2016 Action Plan Public Comment Period



**Submit Your Comments on the 2016-2017 Annual Action Plan!**

THDA has completed a draft of the Annual Action Plan for the State of Tennessee. The plan is submitted annually to the U.S. Department of Housing and Urban Development and citizens are given an opportunity to review and make comments on information contained in the plan. The public comment period begins on April 1, 2016, and runs until the end of the day on May 1, 2016.

Don't forget to forward this email and tell your clients, partners, community organizations, and any others throughout the state that would be interested in providing feedback. Our goal is to reach as many Tennesseans as possible.

**CLICK [HERE](#) TO ACCESS THE ACTION PLAN SUMMARY**

Thank you for your participation. Your feedback is important!

Questions about the Annual Action Plan?  
Email Bettie Teasley Sulmers, Director of Research & Planning: [bteasleysulmers@thda.org](mailto:bteasleysulmers@thda.org)

As the State's housing finance agency, the Tennessee Housing Development Agency (THDA) is a self-sufficient, independently funded, publicly accountable entity of the State of Tennessee. THDA's mission is to ensure that every Tennessean has access to safe, sound, affordable housing opportunities. More information about THDA programs can be found online at [www.thda.org](http://www.thda.org).



Andrew Jackson Building, Third Floor  
502 Deaderick Street  
Nashville, TN 37243

[www.THDA.org](http://www.THDA.org)

STAY CONNECTED



TN Housing Development Agency, 502 Deaderick St., Third Floor,  
Andrew Jackson Building, Nashville, TN 37243

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### Advertising Quote

Order	\$16,546.0A				
Contact	Chamaire McNelly				
Agency	Tennessee Housing Development Agency				
	Account's Payable				
	502 Deaderick Street				
	Third Floor				
	Nashville, TN 37243-				
Client Name	Tennessee Housing Development Agency				
PQ Number					
Position	Public Notices/Classifieds	Sales Rep 1	State		
Copy	emailed for quote	Sales Rep 2	Earl Goodman		
Newspaper					
Run Date	Ad Size	Rate Name	Ad Rate	Total	Circulation
		Color Rate Name	Color Rate		
Chattanooga - Chattanooga Times Free Press					
		Publ. Day: Su,M,Tu,W,Th,F,Sa	# Columns: 6	Page Depth: 20,7500	
03/24/2016	0 X 0	Public Notice Classified	\$30.00		
			\$0.00	\$30.00	49,334
		Caption: THDA Annual Action Plan For Noticias Libres			
Franklin - La Campana					
		Publ. Day: M	# Columns: 0	Page Depth: 0.0000	
03/21/2016	0 X 0	Classified Special	\$310.59		
			\$0.00	\$310.59	6,000
		Caption: THDA Annual Action Plan			
<del>Knoxville - Mundo Hispano Bilingual</del>					
		<del>Publ. Day: W</del>	<del># Columns: 0</del>	<del>Page Depth: 0.0000</del>	
<del>03/25/2016</del>	<del>0 X 0</del>	<del>Classified National</del>	<del>\$100.00</del>		
			<del>\$0.00</del>	<del>\$100.00</del>	<del>0</del>
		<del>Caption: Public Comment Notice THDA</del>			
Memphis - La Prensa Latina					
		Publ. Day: Su	# Columns: 0	Page Depth: 0.0000	
03/27/2016	0 X 0	Classified Special	\$311.76		
			\$0.00	\$311.76	0
		Caption: THDA Annual Action Plan			
Nashville - El Crucero De Tennessee					
		Publ. Day: F	# Columns: 0	Page Depth: 0.0000	
03/25/2016	0 X 0	Classified Special	\$240.00		
			\$0.00	\$240.00	0
		Caption: THDA Annual Action Plan			
Number of Newspapers		5	Totals	\$982.35	54,334
			Discounts	\$0.00	
			Total Misc.	\$0.00	
			Tax: USA	\$0.00	
			Net	\$982.35	

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 TENNESSEE PRESS SERVICE <small>your Print &amp; Digital Connection</small> advertising.biz	<b>Tennessee Press Service, Inc.</b> Your Print & Digital Connection Representing Tennessee Newspapers 625 Market Street, Suite 1100 Knoxville, TN 37902 Voice (865) 584-5761 Fax (865) 558-8807	
	Thursday, March 10, 2016 01:59 PM	
	Page 1	
	Advertising Quote	

**Order** S16,5460  
**Contact** Charmae McNeilly  
**Agency** Tennessee Housing Development Agency  
 Accounts Payable  
 502 Deaderick Street  
 Third Floor  
 Nashville, TN 37243  
  
**Client Name** Tennessee Housing Development Agency  
**PO Number**  
**Position** Public Notices/Classifieds  
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Run Date	Ad Size	Rate Name Color Rate Name	Ad Rate Color Rate	Total	Circulation
<b>Chattanooga - Chattanooga Times Free Press</b> <b>Publ. Day:</b> Su,M,Tu,W,Th,F,Sa <b># Columns:</b> 6 <b>Page Depth:</b> 20,7500					
03/23/2016	1 X 3.5	Public Notice Classified	\$46.50 \$0.00	\$162.75	49,334
Caption: THDA Annual Action Plan					
<b>Clarksville - The Leaf-Chronicle</b> <b>Publ. Day:</b> Su,M,Tu,W,Th,F,Sa <b># Columns:</b> 10 <b>Page Depth:</b> 21,5000					
03/23/2016	1 X 3.5	Public Notice Classified	\$38.51 \$0.00	\$134.78	9,241
Caption: THDA Annual Action Plan					
<b>Columbia - The Daily Herald</b> <b>Publ. Day:</b> Su,M,Tu,W,Th,F <b># Columns:</b> 8 <b>Page Depth:</b> 21,0000					
03/23/2016	1 X 3.5	Classified National	\$11.50 \$0.00	\$40.25	8,052
Caption: THDA Annual Action Plan					
<b>Cookeville - Herald-Citizen</b> <b>Publ. Day:</b> Su,M,Tu,W,Th,F <b># Columns:</b> 6 <b>Page Depth:</b> 21,5000					
03/23/2016	1 X 3	Classified National	\$12.73 \$0.00	\$38.19	9,463
Caption: THDA Annual Action Plan					
<b>Cyersburg - State Gazette</b> <b>Publ. Day:</b> Su,Tu,W,Th,F <b># Columns:</b> 8 <b>Page Depth:</b> 21,5000					
03/23/2016	1 X 3.5	Classified National	\$14.45 \$0.00	\$50.58	11,000
Caption: THDA Annual Action Plan					
<b>Jackson - The Jackson Sun</b> <b>Publ. Day:</b> Su,M,Tu,W,Th,F,Sa <b># Columns:</b> 10 <b>Page Depth:</b> 20,5000					
03/23/2016	1 X 3.5	Public Notice Classified	\$41.00 \$0.00	\$143.50	9,994
Caption: THDA Annual Action Plan					
<b>Johnson City - Johnson City Press</b> <b>Publ. Day:</b> Su,M,Tu,W,Th,F,Sa <b># Columns:</b> 8 <b>Page Depth:</b> 22,5000					
03/23/2016	1 X 3	Classified National	\$22.72 \$0.00	\$63.16	24,545
Caption: THDA Annual Action Plan					

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## THDA Seeks Public Comment on Application for Four Federal Housing Programs

April 4, 2016

by [RealEstateRama](#)

The Tennessee Housing Development Agency (THDA) is seeking public comment on the State of Tennessee's Annual Action Plan, which serves as the State's application for four federal housing programs.

WASHINGTON, D.C. – (RealEstateRama) – The Tennessee Housing Development Agency (THDA) is seeking public comment on the State of Tennessee's Annual Action Plan, which serves as the State's application for four federal housing programs:

- Community Development Block Grant (CDBG)
- HOME Investment Partnerships Program (HOME)
- Emergency Solutions Grant (ESG)
- Housing Opportunities for Persons Living with AIDS (HOPWA)

THDA and other State entities will use public comments to modify and improve the Annual Action Plan before submitting it to the U.S. Department of Housing and Urban Development (HUD). The public has until May 1, 2016, to share feedback and recommendations.

The proposed plan includes allocations for the State Fiscal Year beginning July 1, 2016, and ending June 30, 2017. As written, the plan includes \$25,265,266 for the Tennessee Department of Economic and Community Development to administer the CDBG program, \$12,532,260 for THDA to administer the HOME and ESG programs, and \$963,180 for the Tennessee Department of Health to administer the HOPWA program.

The total for the proposed Annual Action Plan is approximately \$170,000, or 0.4%, less than the current Fiscal Year 2015-2016 appropriations.

[Click here](#) to view the summary of the Annual Action Plan.

[Click here](#) to leave your comment(s) on the information contained in the Annual Action Plan.

Source: [Tennessee Housing Development Agency](#).

Category: [Housing & Development](#), [News](#), [Public](#) | [No Comments](#)

0

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2

New


<http://tennessee.realestaterama.com/2016/04/04/thda-seeks-public-comment-on-application-...> 5/4/2016

**APPENDIX A:**  
**SF-424 FORMS**

STATE OF TENNESSEE  
FY 2016-17 ANNUAL ACTION PLAN


Application for Federal Assistance SF-424		
<b>* 1. Type of Submission:</b> <input type="checkbox"/> Preapplication <input checked="" type="checkbox"/> Application <input type="checkbox"/> Changed/Corrected Application		<b>* 2. Type of Application:</b> <input checked="" type="checkbox"/> New <input type="checkbox"/> Continuation <input type="checkbox"/> Revision
<b>* 3. Date Received:</b> <input type="text"/>		<b>* 4. Applicant Identifier:</b> <input type="text"/>
<b>5a. Federal Entity Identifier:</b> <input type="text"/>		<b>5b. Federal Award Identifier:</b> <input type="text"/>
<b>State Use Only:</b>		
<b>6. Date Received by State:</b> <input type="text"/>		<b>7. State Application Identifier:</b> <input type="text"/>
<b>8. APPLICANT INFORMATION:</b>		
<b>* a. Legal Name:</b> <input type="text" value="State of Tennessee"/>		
<b>* b. Employer/Taxpayer Identification Number (EIN/TIN):</b> <input type="text" value="62-6001445"/>		<b>* c. Organizational DUNS:</b> <input type="text" value="17263F25E3000"/>
<b>d. Address</b>		
<b>* Street1:</b> <input type="text" value="710 James Robertson Parkway, 4th Floor"/>		
<b>Street2:</b> <input type="text"/>		
<b>* City:</b> <input type="text" value="Nashville"/>		
<b>County/Parish:</b> <input type="text" value="Davidson"/>		
<b>* State:</b> <input type="text" value="TN: Tennessee"/>		
<b>Province:</b> <input type="text"/>		
<b>* Country:</b> <input type="text" value="USA: UNITED STATES"/>		
<b>* Zip / Postal Code:</b> <input type="text" value="37203"/>		
<b>e. Organizational Unit:</b>		
<b>Department Name:</b> <input type="text" value="TN Dept. of Health"/>		<b>Division Name:</b> <input type="text" value="HIV/AIDS/STD Section"/>
<b>f. Name and contact information of person to be contacted on matters involving this application:</b>		
<b>Prefix:</b> <input type="text" value="Mr."/>		<b>* First Name:</b> <input type="text" value="Craig"/>
<b>Middle Name:</b> <input type="text"/>		
<b>* Last Name:</b> <input type="text" value="Wadsworth"/>		
<b>Suffix:</b> <input type="text"/>		
<b>Title:</b> <input type="text" value="Director of HIV/STD Program"/>		
<b>Organizational Affiliation:</b> <input type="text"/>		
<b>* Telephone Number:</b> <input type="text" value="615-533-7914"/>		<b>Fax Number:</b> <input type="text" value="615-741-3693"/>
<b>* Email:</b> <input type="text" value="craig.wadsworth@tdo.gov"/>		

Application for Federal Assistance SF-424	
<b>* 9. Type of Applicant 1: Select Applicant Type:</b> <input type="text" value="State Government"/>	
<b>Type of Applicant 2: Select Applicant Type:</b> <input type="text"/>	
<b>Type of Applicant 3: Select Applicant Type:</b> <input type="text"/>	
<b>* Other (specify):</b> <input type="text"/>	
<b>* 10. Name of Federal Agency:</b> <input type="text" value="U.S. Department of Housing and Urban Development"/>	
<b>11. Catalog of Federal Domestic Assistance Number:</b> <input type="text" value="14-247"/>	
<b>CFDA Title:</b> <input type="text" value="Housing Opportunities for Persons with AIDS"/>	
<b>* 12. Funding Opportunity Number:</b> <input type="text"/>	
<b>* Title:</b> <input type="text"/>	
<b>13. Competition Identification Number:</b> <input type="text"/>	
<b>Title:</b> <input type="text"/>	
<b>14. Areas Affected by Project (Cities, Counties, States, etc.):</b> <input type="text"/> <div> <input type="button" value="Add Attachment"/> <input type="button" value="Delete Attachment"/> <input type="button" value="View Attachment"/> </div>	
<b>* 15. Descriptive Title of Applicant's Project:</b> <input type="text" value="Housing Opportunities for Persons with AIDS (HOPWA)"/>	
Attach supporting documents as specified in agency instructions. <div> <input type="button" value="Add Attachments"/> <input type="button" value="Delete Attachments"/> <input type="button" value="View Attachments"/> </div>	

Application for Federal Assistance SF-424	
16. Congressional Districts Of:	
* a. Applicant: <input type="text" value="TN-005"/>	* c. Program/Project: <input type="text" value="TW-a11"/>
Attach an additional list of Program/Project Congressional Districts if needed	
<input type="text"/>	<input type="button" value="Add Attachment"/> <input type="button" value="Delete Attachment"/> <input type="button" value="View Attachment"/>
17. Proposed Project:	
* a. Start Date: <input type="text" value="07/01/2016"/>	* b. End Date: <input type="text" value="06/30/2017"/>
18. Estimated Funding (\$):	
* a. Federal	<input type="text" value="963,160.00"/>
* b. Applicant	<input type="text"/>
* c. State	<input type="text"/>
* d. Local	<input type="text"/>
* e. Other	<input type="text"/>
* f. Program Income	<input type="text"/>
* g. TOTAL	<input type="text" value="963,160.00"/>
* 19. Is Application Subject to Review By State Under Executive Order 12372 Process? <input type="checkbox"/> a. This application was made available to the State under the Executive Order 12372 Process for review on <input type="text"/> <input type="checkbox"/> b. Program is subject to E.O. 12372 but has not been selected by the State for review. <input checked="" type="checkbox"/> c. Program is not covered by E.O. 12372.	
* 20. Is the Applicant Delinquent On Any Federal Debt? (If "Yes," provide explanation in attachment.) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes", provide explanation and attach <input type="text"/> <input type="button" value="Add Attachment"/> <input type="button" value="Delete Attachment"/> <input type="button" value="View Attachment"/>	
21. "By signing this application, I certify (1) to the statements contained in the list of certifications" and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances" and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 28, Section 1001) <input checked="" type="checkbox"/> "I AGREE <small>** The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions.</small>	
Authorized Representative:	
Prefix: <input type="text" value="Mr."/>	* First Name: <input type="text" value="Bill"/>
Middle Name: <input type="text"/>	
* Last Name: <input type="text" value="Hanslan"/>	
Suffix: <input type="text"/>	
* Title: <input type="text" value="Governor, State of Tennessee"/>	
* Telephone Number: <input type="text" value="615-741-2001"/>	* Fax Number: <input type="text"/>
* Email: <input type="text" value="bill.hanslan@tn.gov"/>	
* Signature of Authorized Representative: 	* Date Signed: <input type="text" value="5/14/16"/>

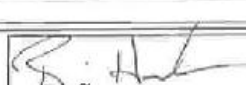
Application for Federal Assistance SF-424		
* 1. Type of Submission: <input type="checkbox"/> Preapplication <input checked="" type="checkbox"/> Application <input type="checkbox"/> Changed/Corrected Application		
* 2. Type of Application: <input checked="" type="checkbox"/> New <input type="checkbox"/> Continuation <input type="checkbox"/> Revision		
* If Revision, select appropriate: enter(s) <input type="text"/>		
* Other (Specify): <input type="text"/>		
* 3. Date Received: <input type="text"/>		* 4. Applicant Identifier: <input type="text"/>
5a. Federal Entity Identifier: <input type="text"/>		5b. Federal Award Identifier: <input type="text"/>
State Use Only:		
6. Date Received by State: <input type="text"/>		7. State Application Identifier: <input type="text"/>
8. APPLICANT INFORMATION:		
* a. Legal Name: <input type="text" value="State of Tennessee"/>		
* b. Employer/Employee Identification Number (EIN/TIN): <input type="text" value="62-8001445"/>		* c. Organization DUNS: <input type="text" value="875975-9230000"/>
d. Address:		
* Street 1: <input type="text" value="312 Rosa L. Parks Avenue, 26th Floor"/>		
Street 2: <input type="text"/>		
* City: <input type="text" value="Nashville"/>		
Country/Parish: <input type="text" value="Davidson"/>		
* State: <input type="text" value="TN: Tennessee"/>		
Province: <input type="text"/>		
* Country: <input type="text" value="USA: UNITED STATES"/>		
* Zip / Postal Code: <input type="text" value="37203"/>		
e. Organizational Unit:		
Department Name: <input type="text" value="TN Dept of Econ/Community Dev"/>		Division Name: <input type="text" value="Policy &amp; Federal Programs"/>
f. Name and contact information of person to be contacted on matters involving this application:		
Prefix: <input type="text" value="Mr."/>		* First Name: <input type="text" value="Kent"/>
Middle Name: <input type="text"/>		
* Last Name: <input type="text" value="Archer"/>		
Suffix: <input type="text"/>		
Title: <input type="text" value="Director of Federal Programs"/>		
Organizational Affiliation: <input type="text"/>		
* Telephone Number: <input type="text" value="615-354-3551"/>		Fax Number: <input type="text" value="615-253-1870"/>
* Email: <input type="text" value="kent.archer@tn.gov"/>		

Application for Federal Assistance SF-424	
<b>* 9. Type of Applicant 1: Select Applicant Type:</b> <input type="text" value="State Government"/>	
<b>Type of Applicant 2: Select Applicant Type:</b> <input type="text"/>	
<b>Type of Applicant 3: Select Applicant Type:</b> <input type="text"/>	
<b>* Other (specify):</b> <input type="text"/>	
<b>* 10. Name of Federal Agency:</b> <input type="text" value="U.S. Department of Housing and Urban Development"/>	
<b>11. Catalog of Federal Domestic Assistance Number:</b> <input type="text" value="14-228"/>	
<b>CFDA Title:</b> <input type="text" value="Community Development Block Grants/State's program and Non-Resident Grants in Hawaii"/>	
<b>* 12. Funding Opportunity Number:</b> <input type="text"/>	
<b>* Title:</b> <input type="text"/>	
<b>13. Competition Identification Number:</b> <input type="text"/>	
<b>Title:</b> <input type="text"/>	
<b>14. Areas Affected by Project (Cities, Counties, States, etc.):</b> <input type="text"/> <div> <input type="button" value="Add Attachment"/> <input type="button" value="Delete Attachment"/> <input type="button" value="View Attachment"/> </div>	
<b>* 15. Descriptive Title of Applicant's Project:</b> <input type="text" value="State Community Development Block Grant, Small Cities Program"/>	
Attach supporting documents as specified in agency instructions. <div> <input type="button" value="Add Attachments"/> <input type="button" value="Delete Attachments"/> <input type="button" value="View Attachments"/> </div>	

Application for Federal Assistance SF-424	
16. Congressional Districts Of:	
* a. Applicant: <input type="text" value="TP-905"/>	* b. Program/Project: <input type="text" value="TN-811"/>
Attach an additional list of Program/Project Congressional Districts if needed	
<input type="text"/> <input type="button" value="Add Attachment"/> <input type="button" value="Delete Attachment"/> <input type="button" value="View Attachment"/>	
17. Proposed Project:	
* a. Start Date: <input type="text" value="07/01/2016"/>	* b. End Date: <input type="text" value="06/30/2017"/>
18. Estimated Funding (\$):	
* a. Federal	<input type="text" value="25,265,266.00"/>
* b. Applicant	<input type="text"/>
* c. State	<input type="text"/>
* d. Local	<input type="text"/>
* e. Other	<input type="text"/>
* f. Program Income	<input type="text"/>
* g. TOTAL	<input type="text" value="25,265,266.00"/>
19. Is Application Subject to Review By State Under Executive Order 12372 Process?	
<input type="checkbox"/> a. This application was made available to the State under the Executive Order 12372 Process for review on <input type="text"/>	
<input type="checkbox"/> b. Program is subject to E.O. 12372 but has not been selected by the State for review.	
<input checked="" type="checkbox"/> c. Program is not covered by E.O. 12372.	
20. Is the Applicant Delinquent On Any Federal Debt? (If "Yes," provide explanation in attachment)	
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
If "Yes", provide explanation and attach	
<input type="text"/> <input type="button" value="Add Attachment"/> <input type="button" value="Delete Attachment"/> <input type="button" value="View Attachment"/>	
21. "By signing this application, I certify (1) to the statements contained in the list of certifications** and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances** and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 28, Section 1001)	
<input checked="" type="checkbox"/> ** I AGREE	
** the list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions.	
Authorized Representative:	
Prefix: <input type="text" value="Mr."/>	* First Name: <input type="text" value="Bill"/>
Middle Name: <input type="text"/>	
* Last Name: <input type="text" value="Henderson"/>	
Suffix: <input type="text"/>	
* Title: <input type="text" value="Governor, State of Tennessee"/>	
* Telephone Number: <input type="text" value="615-743-2001"/>	Fax Number: <input type="text"/>
* Email: <input type="text" value="bill.henderson@tngov"/>	
* Signature of Authorized Representative: 	* Date Signed: <input type="text" value="5/16/16"/>


Application for Federal Assistance SF-424			
1. Type of Submission: <input type="checkbox"/> Preapplication <input checked="" type="checkbox"/> Application <input type="checkbox"/> Changed/Corrected Application		2. Type of Application: <input checked="" type="checkbox"/> New <input type="checkbox"/> Continuation <input type="checkbox"/> Revision	
		* If Revision, select appropriate letter(s): <input type="text"/> * Other (Specify): <input type="text"/>	
3. Date Received:		4. Applicant Identifier:	
<input type="text"/>		<input type="text"/>	
6a. Federal Entity Identifier:		5b. Federal Award Identifier:	
<input type="text"/>		<input type="text"/>	
<b>State Use Only:</b>			
6. Date Received by State:		7. State Application Identifier:	
<input type="text"/>		<input type="text"/>	
<b>B. APPLICANT INFORMATION:</b>			
* a. Legal Name: <input type="text" value="State of Tennessee"/>			
* b. Employer/Taxpayer Identification Number (EIN/TIN):		* c. Organizational DUNS	
<input type="text" value="62-6301145"/>		<input type="text" value="678047469000"/>	
<b>d. Address:</b>			
* Street1:	<input type="text" value="512 Deaderick Street, 3rd Floor"/>		
Street2:	<input type="text"/>		
* City:	<input type="text" value="Nashville"/>		
County/Parish:	<input type="text" value="Davidson"/>		
* State:	<input type="text" value="TN; Tennessee"/>		
Province:	<input type="text"/>		
* Country:	<input type="text" value="USA; UNITED STATES"/>		
* Zip / Postal Code:	<input type="text" value="37203"/>		
<b>e. Organizational Unit:</b>			
Department Name:		Division Name:	
<input type="text" value="TN Housing Development Agency"/>		<input type="text" value="Community Programs"/>	
<b>f. Name and contact information of person to be contacted on matters involving this application:</b>			
Prefix:	<input type="text" value="Mr."/>	* First Name:	<input type="text" value="Don"/>
Middle Name:	<input type="text"/>		
* Last Name:	<input type="text" value="Walt"/>		
Suffix:	<input type="text"/>		
Title: <input type="text" value="Director of Community Programs"/>			
Organizational Affiliation:			
<input type="text"/>			
* Telephone Number:	<input type="text" value="615-815-2032"/>	Fax Number:	<input type="text" value="615-664-2709"/>
* Email:	<input type="text" value="donw@hda.org"/>		

Application for Federal Assistance SF-424	
<b>* 9. Type of Applicant 1: Select Applicant Type:</b> <input type="text" value="As State Government"/>	
<b>Type of Applicant 2: Select Applicant Type:</b> <input type="text"/>	
<b>Type of Applicant 3: Select Applicant Type:</b> <input type="text"/>	
<b>* Other (specify):</b> <input type="text"/>	
<b>* 10. Name of Federal Agency:</b> <input type="text" value="U.S. Department of Housing and Urban Development"/>	
<b>11. Catalog of Federal Domestic Assistance Number:</b> <input type="text" value="14-211"/>	
<b>CFDA Title:</b> <input type="text" value="Emergency Solutions Grant Program"/>	
<b>* 12. Funding Opportunity Number:</b> <input type="text"/>	
<b>* Title:</b> <input type="text"/>	
<b>13. Competition Identification Number:</b> <input type="text"/>	
<b>Title:</b> <input type="text"/>	
<b>14. Areas Affected by Project (Cities, Counties, States, etc.):</b> <input type="text"/> <div> <input type="button" value="Add Attachment"/> <input type="button" value="Delete Attachment"/> <input type="button" value="View Attachment"/> </div>	
<b>* 15. Descriptive Title of Applicant's Project:</b> <input type="text" value="State Emergency Solutions Grant Program"/>	
Attach supporting documents as specified in agency instructions. <div> <input type="button" value="Add Attachments"/> <input type="button" value="Delete Attachments"/> <input type="button" value="View Attachments"/> </div>	

Application for Federal Assistance SF-424	
16. Congressional Districts Of:	
* a. Applicant: TN-005	* b. Program/Project: TN-a11
Attach an additional list of Program/Project Congressional Districts if needed.	
<input type="text"/> <input type="button" value="Add Attachment"/> <input type="button" value="Delete Attachment"/> <input type="button" value="View Attachment"/>	
17. Proposed Project:	
* a. Start Date: 07/01/2015	* b. End Date: 06/30/2017
18. Estimated Funding (\$):	
* a. Federal	2,932,401.00
* c. Applicant	
* c. State	
* d. Local	
* e. Other	
* f. Program Income	
* g. TOTAL	2,932,401.00
19. Is this Application Subject to Review By State Under Executive Order 12372 Process?	
<input type="checkbox"/> a. This application was made available to the State under the Executive Order 12372 Process for review on <input type="text"/>	
<input type="checkbox"/> b. Program is subject to E.O. 12372 but has not been selected by the State for review.	
<input checked="" type="checkbox"/> c. Program is not covered by E.O. 12372.	
20. Is the Applicant Delinquent On Any Federal Debt? (If "Yes," provide explanation in attachment.)	
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
If "Yes", provide explanation and attach <input type="text"/>	
<input type="button" value="Add Attachment"/> <input type="button" value="Delete Attachment"/> <input type="button" value="View Attachment"/>	
21. "By signing this application, I certify (1) to the statements contained in the list of certifications" and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances" and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 28, Section 1001)	
<input checked="" type="checkbox"/> ** I AGREE	
** The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions.	
Authorized Representative:	
Prefix: Mr.	* First Name: Bill
Middle Name: <input type="text"/>	
* Last Name: Williams	
Suffix: <input type="text"/>	
* Title: Supervisor, Bureau of Technology	
* Telephone Number: 615-741-2001	* Fax Number: <input type="text"/>
* Email: bill.williams@state.tn.gov	
* Signature of Authorized Representative: 	* Date Signed: 5/16/16

Application for Federal Assistance SF-424		
* 1 Type of Submission: <input type="checkbox"/> Preapplication <input type="checkbox"/> Application <input checked="" type="checkbox"/> Changed/Corrected Application		* 2 Type of Application: <input checked="" type="checkbox"/> New <input type="checkbox"/> Continuation <input type="checkbox"/> Revision * If Revision, select appropriate letter(s): <input type="text"/> * Other (Specify): <input type="text"/>
* 3 Date Received:		4. Applicant Identifier:
5a. Federal Entity Identifier:		5b. Federal Award Identifier:
State Use Only:		
6 Date Received by State:	7. State Application Identifier:	
<b>8 APPLICANT INFORMATION:</b>		
* a. Legal Name: State of Tennessee		
* b. Employer/Taxpayer Identification Number (EIN/TIN): 62-000445		* c. Organizational DUNS: 0736374830000
<b>d. Address:</b>		
* Street1:	502 Deaderick Street, 3rd Floor	
* Street2:		
* City:	Birmingham	
* County/Parish:	Davidson	
* State:	TN: Tennessee	
* Province:		
* Country:	USA: UNITED STATES	
* Zip / Postal Code:	37243	
<b>e. Organizational Unit:</b>		
Department Name: TN Housing Development Agency		Division Name: Community Programs
<b>f. Name and contact information of person to be contacted on matters involving this application:</b>		
Prefix: Mr.	* First Name: Don	
Middle Name:		
* Last Name: Watt		
Suffix:		
Title: Director of Community Programs		
Organizations Affiliation:		
* Telephone Number: 615-615-2022	Fax Number: 615-564-2700	
* Email: dwatt@huda.org		

Application for Federal Assistance SF-424	
<b>* 9. Type of Applicant 1: Select Applicant Type:</b> <input type="text" value="A: State Government"/>	
<b>Type of Applicant 2: Select Applicant Type:</b> <input type="text"/>	
<b>Type of Applicant 3: Select Applicant Type:</b> <input type="text"/>	
<b>* Other (specify):</b> <input type="text"/>	
<b>* 10. Name of Federal Agency:</b> <input type="text" value="U.S. Department of Housing and Urban Development"/>	
<b>11. Catalog of Federal Domestic Assistance Number:</b> <input type="text" value="14-250"/>	
<b>CFDA Title:</b> <input type="text" value="Home Investment Partnerships Program"/>	
<b>* 12. Funding Opportunity Number:</b> <input type="text"/>	
<b>* Title:</b> <input type="text"/>	
<b>13. Competition Identification Number:</b> <input type="text"/>	
<b>Title:</b> <input type="text"/>	
<b>14. Areas Affected by Project (Cities, Counties, States, etc.):</b> <input type="text"/> <div> <input type="button" value="Add Attachment"/> <input type="button" value="Delete Attachment"/> <input type="button" value="View Attachment"/> </div>	
<b>* 15. Descriptive Title of Applicant's Project:</b> <input type="text" value="State HOME Investment Partnerships Program"/>	
Attach supporting documents as specified in agency instructions. <div> <input type="button" value="Add Attachments"/> <input type="button" value="Delete Attachments"/> <input type="button" value="View Attachments"/> </div>	

Application for Federal Assistance SF-424	
16. Congressional Districts Of:	
* a. Applicant: <input type="text" value="TN-005"/>	* b. Program/Project: <input type="text" value="TN-a11"/>
Attach an additional list of Program/Project Congressional Districts if necessary. <input type="text"/> <input type="button" value="Add Attachment"/> <input type="button" value="Delete Attachment"/> <input type="button" value="View Attachment"/>	
17. Proposed Project:	
* a. Start Date: <input type="text" value="07/01/2016"/>	* b. End Date: <input type="text" value="06/30/2017"/>
18. Estimated Funding (\$):	
* a. Federal:	<input type="text" value="9,600,022.00"/>
* b. Applicant:	<input type="text"/>
* c. State:	<input type="text"/>
* d. Local:	<input type="text"/>
* e. Other:	<input type="text"/>
* f. Program Income:	<input type="text"/>
* g. TOTAL:	<input type="text" value="9,600,022.00"/>
19. Is Application Subject to Review By State Under Executive Order 12372 Process? <input type="checkbox"/> a. This application was made available to the State under the Executive Order 12372 Process for review on <input type="text"/> <input type="checkbox"/> b. Program is subject to E.O. 12372 but has not been selected by the State for review. <input checked="" type="checkbox"/> c. Program is not covered by E.O. 12372.	
20. Is the Applicant Delinquent On Any Federal Debt? (If "Yes," provide explanation in attachment.) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes", provide explanation and attach <input type="text"/> <input type="button" value="Add Attachment"/> <input type="button" value="Delete Attachment"/> <input type="button" value="View Attachment"/>	
21. "By signing this application, I certify (1) to the statements contained in the list of certifications** and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances** and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 218, Section 1001) <input checked="" type="checkbox"/> ** I AGREE ** The list of certifications and assurances, or a Internet site where you may obtain this list, is contained in the announcement or agency specific instructions.	
Authorized Representative:	
Prefix: <input type="text" value="Mr."/>	* First Name: <input type="text" value="Ralph"/>
Middle Name: <input type="text"/>	
* Last Name: <input type="text" value="Perry"/>	
Suffix: <input type="text"/>	
* Title: <input type="text" value="Executive Director, TN Housing Development Ag"/>	
* Telephone Number: <input type="text" value="615-815-2015"/>	Fax Number: <input type="text"/>
* Email: <input type="text" value="rperry@hds.org"/>	
* Signature of Authorized Representative: 	* Date Signed: <input type="text" value="6/02/16"/>

**APPENDIX B:**  
**STATE CERTIFICATION**

STATE OF TENNESSEE  
FY 2016-17 ANNUAL ACTION PLAN

## STATE CERTIFICATIONS

In accordance with the applicable statutes and the regulations governing the consolidated plan regulations, the State certifies that:

**Affirmatively Further Fair Housing** -- The State will affirmatively further fair housing, which means it will conduct an analysis of impediments to fair housing choice within the state, take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting that analysis and actions in this regard.

**Anti-displacement and Relocation Plan** -- It will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, and implementing regulations at 49 CFR 24; and it has in effect and is following a residential anti-displacement and relocation assistance plan required under section 104(d) of the Housing and Community Development Act of 1974, as amended, in connection with any activity assisted with funding under the CDBG or HOME programs.

**Anti-Lobbying** -- To the best of the State's knowledge and belief:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions; and
3. It will require that the language of paragraphs 1 and 2 of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts

under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

**Authority of State** -- The submission of the consolidated plan is authorized under State law and the State possesses the legal authority to carry out the programs under the consolidated plan for which it is seeking funding, in accordance with applicable HUD regulations.

**Consistency with plan** -- The housing activities to be undertaken with CDBG, HOME, ESG, and HOPWA funds are consistent with the strategic plan.

**Section 3** -- It will comply with section 3 of the Housing and Urban Development Act of 1968, and implementing regulations at 24 CFR Part 135.

  
\_\_\_\_\_  
Signature/Authorized Official  
  
\_\_\_\_\_  
Title

5/16/16  
\_\_\_\_\_  
Date

### Specific CDBG Certifications

The State certifies that:

**Citizen Participation** --It is in full compliance and following a detailed citizen participation plan that satisfies the requirements of 24 CFR §91.115 and each unit of general local government that receives assistance from the State is or will be following a detailed citizen participation plan that satisfies the requirements of 24 CFR §570.486.

**Consultation with Local Governments** --It has or will comply with the following:

1. It has consulted with affected units of local government in the nonentitlement area of the State in determining the method of distribution of funding;
2. It engages in or will engage in planning for community development activities;
3. It provides or will provide technical assistance to units of local government in connection with community development programs; and
4. It will not refuse to distribute funds to any unit of general local government on the basis of the particular eligible activity selected by the unit of general local government to meet its community development needs, except that a State is not prevented from establishing priorities in distributing funding on the basis of the activities selected.

**Local Needs Identification** --It will require each unit of general local government to be funded to identify its community development and housing needs, including the needs of low-income and moderate-income families, and the activities to be undertaken to meet these needs.

**Community Development Plan** --Its consolidated housing and community development plan identifies community development and housing needs and specifies both short-term and long-term community development objectives that have been developed in accordance with the primary objectives of Title I of the Housing and Community Development Act of 1974, as amended. (See 24 CFR 570.2 and 24 CFR part 570)

**Use of Funds** --It has complied with the following criteria:

1. Maximum Feasible Priority. With respect to activities expected to be assisted with CDBG funds, it certifies that it has developed its Action Plan so as to give maximum feasible priority to activities which benefit low and moderate income families or aid in the prevention or elimination of slums or blight. The Action Plan may also include activities which the grantee certifies are designed to meet other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community, and other financial resources are not available);
2. Overall Benefit. The aggregate use of CDBG funds including section 108 guaranteed loans during program years 2016, 2017 and 2018, shall principally benefit persons of low and moderate income in a manner that ensures that at least 70 percent of the amount is expended for activities that benefit such persons during the designated period;

3. **Special Assessments.** The state will require units of general local government that receive CDBG funds to certify to the following:

It will not attempt to recover any capital costs of public improvements assisted with CDBG funds including Section 108 loan guaranteed funds by assessing any amount against properties owned and occupied by persons of low and moderate income, including any fee charged or assessment made as a condition of obtaining access to such public improvements.

However, if CDBG funds are used to pay the proportion of a fee or assessment that relates to the capital costs of public improvements (assisted in part with CDBG funds) financed from other revenue sources, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds.

It will not attempt to recover any capital costs of public improvements assisted with CDBG funds, including Section 108, unless CDBG funds are used to pay the proportion of fee or assessment attributable to the capital costs of public improvements financed from other revenue sources. In this case, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds. Also, in the case of properties owned and occupied by moderate-income (not low-income) families, an assessment or charge may be made against the property for public improvements financed by a source other than CDBG funds if the jurisdiction certifies that it lacks CDBG funds to cover the assessment.

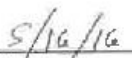
**Excessive Force --** It will require units of general local government that receive CDBG funds to certify that they have adopted and are enforcing:

1. A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and
2. A policy of enforcing applicable State and local laws against physically barring entrance to or exit from a facility or location which is the subject of such non-violent civil rights demonstrations within its jurisdiction;

**Compliance With Anti-discrimination laws --** The grant will be conducted and administered in conformity with title VI of the Civil Rights Act of 1964 (42 USC 2000d), the Fair Housing Act (42 USC 3601-3619), and implementing regulations.

**Compliance with Laws --** It will comply with applicable laws.

  
\_\_\_\_\_  
Signature/Authorized Official  
  
\_\_\_\_\_  
Title

  
\_\_\_\_\_  
Date

### Specific HOME Certifications

The State certifies that:

**Tenant Based Rental Assistance --** If it intends to provide tenant-based rental assistance:

The use of HOME funds for tenant-based rental assistance is an essential element of the State's consolidated plan.

**Eligible Activities and Costs --** It is using and will use HOME funds for eligible activities and costs, as described in 24 CFR § 92.205 through §92.209 and that it is not using and will not use HOME funds for prohibited activities, as described in §92.214.

**Appropriate Financial Assistance --** Before committing any funds to a project, the State or its recipients will evaluate the project in accordance with the guidelines that it adopts for this purpose and will not invest any more HOME funds in combination with other Federal assistance than is necessary to provide affordable housing;

  
\_\_\_\_\_  
Signature/Authorized Official

5/16/16  
\_\_\_\_\_  
Date

Governor  
\_\_\_\_\_  
Title

#### ESG Certifications

Each State that seeks funding under the Emergency Solutions Grants Program must provide the following certifications:

**Matching Funds** – The State will obtain any matching amounts required under 24 CFR 576.201 in a manner so that its subrecipients that are least capable of providing matching amounts receive the benefit of the exception under 24 CFR 576.201(a)(2).

**Discharge Policy** – The State will establish and implement, to the maximum extent practicable and where appropriate, policies and protocols for the discharge of persons from publicly funded institutions or systems of care (such as health care facilities, mental health facilities, foster care or other youth facilities, or correction programs and institutions) in order to prevent this discharge from immediately resulting in homelessness for these persons.

**Confidentiality** – The State will develop and implement procedures to ensure the confidentiality of records pertaining to any individual provided family violence prevention or treatment services under any project assisted under the ESG program, including protection against the release of the address or location of any family violence shelter project, except with the written authorization of the person responsible for the operation of that shelter.

The State will ensure that its subrecipients comply with the following criteria:

**Major rehabilitation/conversion** – If an emergency shelter's rehabilitation costs exceed 75 percent of the value of the building before rehabilitation, the building will be maintained as a shelter for homeless individuals and families for a minimum of 10 years after the date the building is first occupied by a homeless individual or family after the completed rehabilitation. If the cost to convert a building into an emergency shelter exceeds 75 percent of the value of the building after conversion, the building will be maintained as a shelter for homeless individuals and families for a minimum of 10 years after the date the building is first occupied by a homeless individual or family after the completed conversion. In all other cases where ESG funds are used for renovation, the building will be maintained as a shelter for homeless individuals and families for a minimum of 3 years after the date the building is first occupied by a homeless individual or family after the completed renovation.

**Essential Services and Operating Costs** – If ESG funds are used for shelter operations or essential services related to street outreach or emergency shelter, the subrecipient will provide services or shelter to homeless individuals and families for the period during which the ESG assistance is provided, without regard to a particular site or structure, so long the applicant serves the same type of persons (e.g., families with children, unaccompanied youth, veterans, disabled individuals, or victims of domestic violence) or persons in the same geographic area.

**Renovation** – Any renovation carried out with ESG assistance shall be sufficient to ensure that the building involved is safe and sanitary.

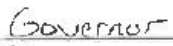
**Supportive Services** – The subrecipient will assist homeless individuals in obtaining permanent housing, appropriate supportive services (including medical and mental health treatment, counseling, supervision, and other services essential for achieving independent living), and other Federal, State, local, and private assistance available for such individuals.

**Homeless Persons Involvement** – To the maximum extent practicable, the subrecipient will involve, through employment, volunteer services, or otherwise, homeless individuals and families in constructing, renovating, maintaining, and operating facilities, in providing services assisted under the ESG program, and in providing services for occupants of facilities assisted ESG.

**Consolidated Plan** – All activities the subrecipient undertakes with assistance under ESG are consistent with the State's current HUD-approved consolidated plan.

  
\_\_\_\_\_  
Signature/Authorized Official

  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Title

### HOPWA Certifications

The State HOPWA grantee certifies that:

**Activities** -- Activities funded under the program will meet urgent needs that are not being met by available public and private sources.

**Building** -- Any building or structure assisted under the program shall be operated for the purpose specified in the plan:

1. For at least 10 years in the case of any building or structure purchased, leased, rehabilitated, renovated, or converted with HOPWA assistance,
2. For at least 3 years in the case of assistance involving non-substantial rehabilitation or repair of a building or structure.

  
Signature/Authorized Official

5/16/16  
Date

Governor  
Title